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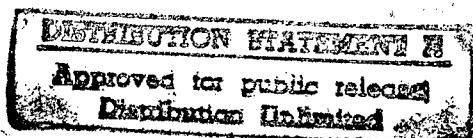
18 August 1960

COMMUNIST CHINA DIGEST

NO. 22

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COMMUNIST CHINA DIGEST

No. 22

PREFACE

The Communist China Digest consists of two parts. Part I is a news summary for a semimonthly period. It is a full translation of that section in the Chinese Communist semimonthly periodical, Hsin-hua Pan-yueh-k'ian, which deals with national and international events of significance. Part II concerns all major aspects of Chinese life. It presents selected reports from translations of Chinese Communist and other publications. These selections seek to be (1) representative of the type of material appearing on the subject, (2) major statements or decisions on the subject, and/or (3) national policy decisions, statements or activities.

In general, the items in Part II are extracts or summaries. Full translations will be so indicated. Notes or comments appearing in brackets [] are made by JPRS.

A list of current JPRS publications on China is included at the end of the digest. This list is gradually being extended to include other current translations on China.

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PART I. SIGNIFICANT NATIONAL-INTERNATIONAL
DEVELOPMENTS DURING 16-30 APRIL 1960

Hsin-hua Pan-yueh-k'ian
/New China Semimonthly Journal/
No. 9, 12 May 1960, Peiping
Chinese, semimonthly

(An asterisk indicates that the item appeared in this journal; double asterisks indicate a supplementary item.)

Commemorating the 90th Anniversary of Lenin's Birth

Comrades Chu Te, Lin Piao, Teng Hsiao-p'ing, etc. attended celebrations for the 90th anniversary of the birth of Lenin held by the party central committee 22 April. Lu Ting-i spoke on "Unite Around the Revolutionary Banner of Lenin." Issue No. 8 of Hung-ch'i carried "Long Live Leninism" and Jen-min Jih-pao 22 April, "Advance Along the Glorious Path of Lenin" and other commemoration articles.

Fraternal countries celebrated the 90th anniversary of Lenin's birth 21 and 22 April.

POLITICAL AFFAIRS

Hsin-hua News Agency reported 24 April that the party central committee and the State Council issued directives on May Day celebrations.

National Militia Conference

Deputy Chairman Chu Te of the party central committee and other comrades attended the opening of the national militia conference in Peiping 18-27 April. On the 18th, Marshal Lo Jung-huan gave the opening address,* Marshal Ho Lung spoke on behalf of the party central committee and the State Council and Senior General Lo Jui-ch'ing reported on "Questions of Building the Militia."

On the 20th, Li Chieh-po, Hu Yao-pang, Teng Ying-chao, Liu K'ai-feng, and Li Ta spoke and, on the 21st, Ch'en Cheng-jen made a farm report. On the 24th, Po I-po spoke on "Lead the Technological Revolution Mass Movement Along the Correct, Scientific, and All-People's Path With Continued Leap Forwards."

On the 27th, Generals Chang Ai-p'ing and Kan Ssu-ch'i spoke and Marshal Lin Piao gave the closing speech.* The conference approved greetings to the party central committee, Chairman Mao,* and the Chinese People's Liberation Army and challenges to the nation's militia. Jen-min Jih-pao 19 April editorial was "For Building and Defending Socialism."*

Premier Chou's Visit to Burma, India and Nepal

Premier Chou, Deputy Premier Ch'en and their entourage visited Burma 15-19 April where Premier Chou passed the Thingyan Festival with the people on the 15th. On the 19th, Premier Chou met with Prime Minister U Nu, issued a joint Sino-Burmese communique, and answered questions of foreign correspondents at the Rangoon airport.

Premier Chou, Deputy Premier Ch'en and their entourage visited India 19-26 April where Premier Chou and Deputy Premier Ch'en talked with Prime Minister Nehru on the 25th and then issued a communique of the two prime ministers. Premier Chou gave a written report and answered questions at an Indian government press conference the same day. Jen-min Jih-pao 27 April editorial was "The Common Desire of a Billion People."

Premier Chou, Deputy Premier Ch'en and their entourage visited Nepal 26-29 April where Premier Chou spoke on the 26th at the Kathmandu airport, the state banquet of Premier Koirala, and the welcome of the people of Kathmandu and, on the 28th, before the Parliament of Nepal. On the 28th, Premiers Chou and Koirala held ceremonies for the signing of a treaty of peace and friendship between the People's Republic of China and the Kingdom of Nepal and exchanged ratifications of an agreement between the governments of the People's Republic of China and the Kingdom of Nepal on border questions between the two nations. Premier Chou held a press conference in Kathmandu on the same day and answered questions of Nepali and other foreign correspondents and then broadcast over Radio Nepal. A Sino-Nepali joint communique was issued on the 29th. The Jen-min Jih-pao 30 April editorial was "A New Example of Peaceful Coexistence."

Supreme Government Organs

The State Council held its 100th plenary session 29 April to submit a proposal to the standing committee of the National People's Congress designating Tsao Ying, Chinese ambassador to Czechoslovakia, as the plenipotentiary to sign a consular treaty between the People's Republic of China and the Republic of Czechoslovakia. The meeting approved a cultural agreement with Guinea, trade mark laws which were submitted to the standing committee of the National People's Congress for approval, changes in county and municipal boundaries, and lists of appointments and removals.

Chairman Li Wei-han of the United Front Department of the party central committee talked on minority work before an expanded meeting of the nationalities committee of the National People's Congress in Peiping 9-14 April. Deputy Chairman Wang Feng of the

committee talked on achievements in nationalities work and future assignments.**

Provincial, Regional, and Municipal Party Meetings

The Peiping party committee called a meeting of sixth grade cadres 29 March to 13 April to discuss speeding up suburban production and strengthening people's communes.**

The Kiangsu party committee called a meeting of sixth grade party cadres to hear reports by Liu Shun-yuan, secretary of the provincial party committee; K'o Ch'ing-shih, member of the politburo of the party central committee; and Chiang Wei-ch'ing, first secretary of the provincial party committee. The meeting decided to build people's communes and complete the agricultural program ahead of schedule.**

Jen-min Jih-pao reported 22 April that the Anhwei party committee recently held a sixth grade cadre conference to discuss expansion of people's communes and prescheduled completion of the agricultural program. First Secretary Tseng Hsi-sheng of the provincial party committee gave reports and made the summation.

The Shansi party committee called a sixth grade cadre conference 24 March to 7 April to discuss 1960 agricultural production problems and hear reports by Wang Ch'ien, permanent secretary; and T'ao Lu-chia, first secretary; of the provincial party committee.**

Cadre Work

Hsin-hua News Agency reported 30 April that the Shanghai people's council has made engineers of 138 superior workers.

People's Communes

The Jen-min Jih-pao 20 April editorial was "Rural People's Communes Must Train Large Numbers of Technicians."

Foreign Relations

On 17 April, broad masses in Peiping marked the fifth anniversary of the Bandung Conference and the founding of the Sino-African Friendship Association with a meeting which Chairman Chu Te and other party and government leaders attended. Chairman Liu Ch'ang-sheng of the association, Chairman Kuo Mo-jo of the China Peace Committee, and Afro-Asian guests all spoke with great fervor. Deputy Premier Ho Lung spoke at a reception given by the Ministry of Foreign Affairs to mark the fifth anniversary of the Bandung Conference. Jen-min Jih-pao 18 April editorial was "The Boundless Future of the Peoples of Africa and Asia."*

Under the leadership of Bayarn Jargalsaikhan, the Great People's Hural delegation of Mongolia visited China 8-16 April. Chairman Jargalsaikhan addressed the second session of the National People's Congress on the 9th.* On the 15th, Chairman Mao and Chairman Liu received Chairman Jargalsaikhan and his delegation. Jen-min Jih-pao 8 April editorial was "Greet the Honored Guests of the Mongolian People's Republic."

Chu Te and Tung Pi-wu received a Polish military delegation lead by General Jerzy Bordzilowski.

During its meetings 15-16 April, the 11th session of the Czechoslovakia Academy of Sciences elected President Kuo Mo-jo of the Chinese Academy of Sciences to foreign membership.

Hsin-hua News Agency reported 30 April that in response to an invitation, Premier Chou will visit Cambodia 5-9 May.

The first Iraqi ambassador to China, Abdul Haj Fadhill, presented his credentials to Deputy Chairman Soong Ch'ing-ling 27 April.

On 17 April, Chairman Chu and government leaders received visitors from Mongolia, Iraq, Japan, Indonesia, Ceylon and Africa.

The party central committee sent greetings on the 60th birthday of Thorez, secretary of the Communist Party of France, 28 April.

ECONOMIC AFFAIRS

Technical Innovations and the Technological Revolution

A national on-the-spot technical innovation and technological revolution exhibition was held in Chungking, 25 March to 7 April.* Jen-min Jih-pao 17 April editorial was "Popularize and Improve."*

Hsin-hua News Agency reported that China is now reforming its rice planting techniques. By the end of March, 14 provinces and regions including Hunan, Kweichow, Kwangsi, and Hupeh have made over 100 types of rice planters and trained large numbers of operators. Jen-min Jih-pao 16 April editorial was "A Glorious Achievement in the Agricultural Technological Revolution."*

Industry and Communications

The national conference on the technological revolution in light industry met 26 March to 10 April to discuss promoting the technological revolution and supporting improvements in agricultural technology.**

The national conference for the exchange of experiences on technical innovations in the textile industry met 5-20 April. After exchanging experiences in technical innovations, the conference mapped a three-year plan for the technical development of the textile industry.

Hsin-hua News Agency reported 18 April that the Yellow River bridge at Cheng-chou was operable on the 21st, half a year ahead of schedule.

Hsin-hua News Agency reported 23 April that China built the "East Wind," a 10,000-ton steamer, with its own resources. The ship was launched at the Chiang-nan dockyards in Shanghai.

Hsin-hua News Agency reported 26 April that national postal telegraph technical demonstration competitions were held in Peiping recently. The meeting called on postal telegraph workers to implement the "four techniques" in order to become good "signal corpsmen."

Agriculture

Jen-min Jih-pao 21, 25, 27 April editorials were "Assure Acreage, Quality, and Timeliness in Spring Planting," "Struggle for Above-Quota Completion of the Sowing Plan for Industrial and Agricultural Crops," and "Cotton Planting Must Be Completed." The 24 April editorial was "Continue to Support the Mass Movement Against Drought."*

Jen-min Jih-pao reported 16 April that the drive to expand the "Hundred Female Animals and Off Spring" Movement by the livestock industry in Inner Mongolia achieved outstanding results. From November 1959 to April 1960, the region produced 4.7 million offspring which is about 1.8 million more than the corresponding period last year. A Jen-min Jih-pao 17 April editorial was "Promote the 'Hundred Female Animals and Offspring' Movement in Expanding the Livestock Industry." The 26 April editorial was "The Livestock Industry Must Be Developed at High Speed."

Hsin-hua News Agency reported 16 April that large and medium-sized cities throughout the nation have speedily expanded fish growing. The total quantity of aquatic products produced by Peiping, Shanghai, Tientsin, etc., totalling 390 cities, reached 400,000 tons. Tientsin, Wuhan, Hangchow, and Nan-ch'ang are now self-sufficient.

CULTURAL AFFAIRS

Education and Health

The first men's basketball match of public security and sports units of the socialist countries was held in Peiping 18-25 April. China won first place; the USSR, second; and Poland, third.

The physical education movement committee issued physical drills for iron and steel workers and for miners 27 April.

The national Wuhan on-the-spot conference on spare-time medical education met 27 March to 6 April to summarize experiences of the Wuhan area in spare-time medical education and to call on all areas to operate spare-time medical education broadly, quickly, and well.**

The national Chungking on-the-spot conference on urban health met 15-26 April and called for promoting a general leap forward in urban health to a new stage in order to better serve production, urban areas, and the communes.

Cultural Work

From 13-29 April, the Ministry of Culture held a model presentation of modern plays in Peiping to demonstrate achievements of plays reflecting modern life and to exchange experiences in composing and presenting plays based on modern materials.

Commemorating World Famous Literary Figures

Services were held in Peiping by literary circles 26 April to mark the 50th anniversary of the death of Bjornstjerne Bjornson, a world famous Norwegian playwright and, in response to a call of the World Peace Council, 27 April for Alexander Moisi, a world famous Albanian playwright.

INTERNATIONAL AFFAIRS

The Patriotic and Righteous Struggle of the People of South Korea

The surge of the patriotic and righteous struggle of the people of South Korea against the US-Rhee clique's fascist rule is growing. From 18-27 April, vast demonstrations and parades were held in all such large and medium cities of South Korea as Seoul, Inchon, and Pusan. On 18 and 19 April, over 40,000 people participated in two demonstrations in Seoul and on the 19th, 70,000 in Pusan. Demonstrators in Seoul attacked the puppet cabinet chamber, puppet Rhee Second Army Headquarters, and crashed the arsenal for weapons to fight puppet troops and police. Over 500,000 people joined a parade in Seoul on the 26th crying, "Down with Syngman Rhee!" and "American Forces Get Out of Korea!". They surrounded Syngman Rhee's house and captured tanks to drive out the puppet police. In the face of the powerful forces of the masses, Syngman Rhee abdicated on the 27th after a 12-year fascist rule of terror in South Korea.

Broad masses in Pyongyang, Wonsan, and Kaesong in North Korea held rallies 20 April to support the righteous struggle of the people of South Korea. The Nodong Dang of North Korea issued

a message to the people of South Korea on the 21st. On the 27th, party, government, and public organizations in the Korean Democratic People's Republic issued statements on the South Korean situation which called on the masses to struggle bravely to the end by driving out the US aggressors.

The patriotic and righteous struggle of the people of South Korea has frightened the US imperialists who are using double-dealing methods to plot intervention. On the 19th, both the US Department of State and the "embassy" in South Korea were falsely expressing "neutrality" and attacking the demonstrators. Syngman Rhee and other officials met 19-27 with officials of the US Department of State and headquarters of US invasion forces to plot countermeasures. The 14 nations which invaded Korea met on the 26th to attempt to plot intervention under the UN. With the abdication of Syngman Rhee, the US set up a new puppet regime on the 27th with Ho Chong as the "acting president" to support their colonial control of South Korea. But the US will be defeated by the firm struggle of the Koreans.

The Chinese strongly supported the struggle of the Korean people with a mass meeting at T'ien-an Men on the 28th when 600,000 people heard speeches by Liu Ning-i on behalf of the party central committee; Li Yong-kon, Korean ambassador to China; and others and an open message. Rallies were held in Shanghai, Tientsin and other large and medium-sized cities on the 29th. Jen-min Jih-pao editorials on the 25th and 29th were "The People of South Korea are Angry" and "Glory to the Heroic People of South Korea."

The World Federation of Trade Unions, World Youth Federation, International Union of Students, Secretary Hall of the Communist Party of the U.S.A., the central cadre council of the Communist Party of Japan, and various circles in Hanoi sent cables, issued statements, or held rallies 22, 23, and 26 April in support of the patriotic and righteous struggle of the South Koreans.

The Korean Question

During the 19 April meeting of the Korean Military Armistice Commission, Major Joo Chang-Joon of the Korean-Chinese side protested against US firing of missiles in South Korea in violation of the armistice agreement and accused the US of using this means to cow the people of South Korea.

Opposition to the Japan-US Military Alliance

Soviet Foreign Minister Gromyko handed the Japanese Ambassador in Moscow a memorandum 22 April to reaffirm the Soviet position vis-a-vis the signing of a Japan-US military alliance

and to question the right of Japan to build "defenses" on Sino-Soviet territory. It pointed out that the Japan-US military alliance is endangering the security of the nations of Asia.

The Communist Party of Japan issued a statement 24 April calling on the masses to oppose ratification of the Japan-US military alliance and demanding dissolution of the Diet and the fall of the Kishi cabinet.

From 15-26 April, broad masses in Japan initiated the 15th united action against ratification of the Japan-US "mutual security pact" with demonstrations and petitions. On the 26th, over 7 million people throughout Japan held unprecedented demonstrations which were preceded by the strikes of 3.6 million workers. Over 100,000 petitioners paraded before the Diet, government buildings and in downtown Tokyo. On the same day, over 12,000 delegates from various parts of the country held a central preparatory rally in Tokyo against ratification of the Japan-US "mutual security pact." Nosaka Sanzo pointed out to the rally that Kishi will suffer the same fate as Syngman Rhee.

The struggle of the Japanese people has smashed Kishi's plot to force the approval of a new Japan-US "mutual security pact" by the Diet before 26 April and by the House of Representatives by 10 May. Therefore, the masses in Japan decided to initiate a 16th united action. The Sohyo council called for a general strike and will mobilize 20 million people to demand dissolution of the Diet and the downfall of the Kishi cabinet.

The Indochina Question

Hsin-hua News Agency reported 21 April that the Soviet Ministry of Foreign Affairs handed a memorandum to the British government which called on the British to reconsider their attitude and demand that the Royal Laotian Government observe the Geneva agreement by resuming cooperation with the Laos International Inspection and Supervision Commission.

On 16 April, Foreign Minister Pham Van Dong of Vietnam cabled the foreign ministers of the USSR and Britain calling on the co-chairmen of the Vietnam International Control Commission to reject the illegal demand of South Vietnam authorities to increase the personnel of the "US Military Assistance and Advisory Group."

Commander-in-Chief Vo Nguyen Giap of the Vietnam People's Army cabled Chairman Ansari of the International Control Commission 15 April asking the commission to order South Vietnam authorities to disband and remove the "US Military Assistance Advisory Group" from South Vietnam.

The German Question

Hsin-hua News Agency reported 17 April that a letter to the workers of West Germany from the central committee of the German United Socialist Party on the "people's plan on the German question" called for German unification through federal means. At a television address on the 20th, Ulbricht said that this plan pointed to a path for the struggle of the German working class.

Questions of Disarmament and Banning Nuclear Weapons

The 10-nation disarmament committee met 30 April to discuss problems concerning communiques on recessing the conference until 7 June. Soviet delegate Zorin accused the West of evading real disarmament.

On 18 April 100,000 people in London demonstrated against nuclear weapons. Ten thousand of them had marched from the British Nuclear Research Institute at Aldermaston. Rallying at Trafalgar Square, the demonstrators demanded that the British government adopt a peaceful policy by banning nuclear weapons and abolishing US missile bases.

International Organizations

The International Women's Congress met in Copenhagen 21-24 April to mark the 50th anniversary of International Working Women's Day and approve resolutions on peace.

The Socialist Countries

At 40th anniversary celebrations of the founding of the party and Soviet government in Azerbaijan 25 April, Khrushchev spoke on the international situation on the eve of the Supreme Soviet sessions and charged western government officials with creating conditions adverse to world peace.

During the 11th session of the People's Assembly, Ulbricht read a government report on the development of agricultural cooperatives and pointed out the great political significance of agricultural cooperativization throughout Germany. The assembly approved the report on the same day.

Speaking to the Hanoi candidates of the National Assembly 24 April, Chairman Ho Chi Minh pointed out that the task of the second National Assembly of Vietnam is socialist construction. On 23 April, the central committee of the Vietnam Lao Dong Party issued a message to the people on second National Assembly elections.

Asia and Africa

On 11 April, Prince Sihanouk of Cambodia submitted his resignation as Prime Minister to the Regency Council. On the 18th, the Cambodian Parliament approved a new cabinet headed by Pho Proeung.

Premier Chou cabled his felicitations 26 April on the independence of the Republic of Togo on the 27th.* Foreign Minister Ch'en I cabled President Olympio of Togo that China will recognize Togo.* The Soviet Union, Czechoslovakia, Vietnam, Mongolia, and Rumania announced recognition of Togo and sent greetings. Jen-min Jih-pao 28 April editorial was "Greet the Independence of Togo."*

Europe

The 12th party congress of Finland met in Helsinki 15-18 April to hear speeches by Party Secretary Dille Peffi and by L. I. Brezhnev, a delegate of the Soviet party central committee; and by Wu Tzu-p'u, delegate of the Chinese party central committee; who presented greetings from their respective countries. The congress approved reports of the party central committee, recent assignments of the party, and a message calling for greater cooperation among the working class. New party central and supervisory committees were elected by the congress. Dille Peffi was re-elected general secretary and Ajmo Aaltonen, president; by the party central committee.

The 13th party congress in Belgium met in Liege 16-19 April to hear a report by Ernest Burnelle, national party secretary, on "Struggle to Unite the Forces of the Masses for a Program of Peace and Progress and Against a Capitalist Government." Felicitations from the party central committees of the USSR and China were presented by P. N. Pospelov for the Soviet Union and Lin T'ieh, for China. New officers were elected on the 18th. Five persons, including Ernest Burnelle, were elected to the party secretariat.

The Americas and Australia

Castro told US newsmen 18 April that Eisenhower has no right to discuss the Cuban revolution.

Hsin-hua News Agency reported 24 April that Foreign Minister Roa of Cuba exposed a US plot to utilize Guatemala for an attack on Cuba.

On 11 April, Rafael Alberti, a Spanish poet and Nicolas Guillen, a Cuban poet, issued a joint statement to the poets of the world which called on the poets of the world to raise funds for the purchase of an airplane for the defense of the Cuban

revolution which will be christened "Poetry." On the 20th, Chinese literary circles held a soiree in Peiping in honor of Cuban poetry and song and to raise funds for an airplane to be christened "Poetry."

Under the direction of US imperialists and their running dogs, rebels in Venezuela began an armed rebellion 20 April at Tachira on the Border between western Venezuela and Colombia in an attempt to overthrow the government. Under attacks of patriotic, government and armed forces of Venezuela, the revolt was quelled on the 21st. Broad masses demonstrated in the Venezuelan capital to demand suppression of the revolution and a policy beneficial to the people. On the 22nd, armed peasants arrested four rebel leaders including Leon.

The national party congress of New Zealand met in Auckland 15-17 April and heard a speech by Ch'en Yu, delegate of the party central committee of China.

PART II. REPORTS FROM CHINA

INTERNATIONAL POLICY AND ACTIVITIES

WE MUST NOT OPPOSE ALL WARS

Peiping, Jen-min Jih-pao, 25 April 1960

[From an article entitled: "Lenin's Theory on Peace and War", by Hu Hsi-Huei.]

So long as imperialism exists, various kinds of war inevitably will occur. However, inasmuch as wars vary in their nature, it is necessary to carry the analysis a step further. In Lenin's analysis and argument, there are wars of two characters and natures: just and unjust wars. Lenin pointed out that all wars are a continuation of policy by another means (that is, violence). In order to understand the nature of war, therefore, it is necessary to study the over-all pre-war policy of the class carrying out the war from the aspect of the relationship between economics and politics, to see for what aim and by what class the war is being waged, and to see what policy the war is carrying out. Examining the above mentioned kinds of wars from this viewpoint, we can see that: wars of national liberation are a continuation of the policy by which the people in colonies and protectorates oppose national oppression and seize national independence; revolutionary civil wars in which the proletariat opposes the bourgeoisie and wars for the defense of the socialist fatherland are a continuation of the socialist revolutionary movement, a continuation of the policy of proletarian revolution. These wars are carried out by the revolutionary, progressive class and they promote the development of society. They are therefore all just wars. Imperialist wars are a continuation of the policy of the plunder, by moribund capitalism of colonies, the oppression of other nations, and the suppression of the workers' movement; these wars are carried out by the reactionary classes, they block the development of society. They are therefore unjust and reactionary wars. Because wars are different in their nature, Marxists absolutely cannot unconditionally oppose all wars; they must resolutely support just wars and oppose unjust wars.

LIN PIAO SAYS MEN ARE DECISIVE FACTOR IN WAR
Peiping, Pei-ching Jih-pao, 28 April 1960

[Extracts from the address of Lin Piao, Vice-premier
and Minister of National Defense at the National
Militia Conference.]

We believe that through this conference we will be able to strengthen the building of the People's Militia, bolster the national defense force, further activate the enthusiasm of the hundreds of millions of the militia, and greatly promote the continued leap forward in the national economy...

We have the correct leadership of the CCP Central Committee headed by Chairman Mao and the three magic keys of the general line, the big leap forward, and the people's communes; we have also the help of the socialist camp headed by the USSR. Therefore, the building of socialism in our country must be carried out at high speed, which is entirely within the realm of possibility.

The question of national defense is in fact a question of forces. National defense force is a consolidated manifestation of the political force, the economic force, and the scientific and technological force of a country. In analyzing relations between national defense construction and economic construction, Chairman Mao called upon us to concentrate all available forces for the high-speed development of socialist economic construction and the realization of industrial, agricultural, scientific, and cultural modernization, through which we can fundamentally bolster national defense and construction in order to achieve modernization in national defense. For the past several years, we have been following Chairman Mao's instructions and have correctly adjusted the relations between economic construction and national defense construction, thereby accelerating economic construction and strengthening the national defense forces.

The result of practical work proves that the path pointed out by the CCP Central Committee and Chairman Mao is the only correct path integrating Marxism-Leninism with concrete practice in China...

The imperialists are now doing their utmost to prepare large-scale guided missile and nuclear warfare. To deal with such a war, the most important thing for us to do is to mobilize and rely on the people to carry out a people's war. We are Marxist-Leninists, we fully realize men are the decisive factor in war; we also recognize the important role modern technology plays in war. We must therefore lose no time in vigorously improving the technical equipment of our forces and in strengthening

the modernization of our forces. We have already built up powerful regular armed forces. With the rapid development of the whole national economy as well as in culture and science, our armed forces are now scaling the peak of military science and technology.

However, building a powerful regular armed force with the most modern technical equipment is only one aspect of the building of national defense. Another aspect of great importance is to strengthen the building of the People's Militia and establish large numbers of People's Militia divisions, making everyone a soldier. Coordinating the building of a modernized revolutionary armed force with the organizing of large numbers of People's Militia divisions represents a concrete application in the sphere of building national defense, of the party's policy of "walking on two legs," and also an important development, under current conditions, of Chairman Mao Tse-tung's teaching on people's war. It is an important strategic task for our country in the sphere of building national defense to arm hundreds of millions of the people ideologically and organizationally and actively extend military and political training as well as national defense sports activities so as to build them into a powerful people's armed force of immense vigor, excellent health, high political consciousness, and certain military training.

Establishing large numbers of People's Militia divisions, making everyone a soldier, has not only an important bearing on strengthening the building of national defense but also on speeding up socialist economic construction, because the people's militiamen represent an industrial army full of vigor for labor.

The People's Militia has made spectacular achievements on various fronts during the past several years. The current central task of the People's Militia throughout the country is to exert full efforts for socialist construction.

Comrades, before long you will be returned to your fighting posts. I hope that each of you will play your role well and will widely publicize the spirit of this conference so as to put the enthusiasm of the masses of the People's Militia into full play and further organize them to advance courageously under the party's leadership, holding aloft the three red banners of the general line, the big leap forward, and the people's communes... The great people of China, under the Mao Tse-tung banner, will certainly surmount any obstacles in their way and will advance from victory to still greater victories!

IMPERIALISM AND THE MASSES ARE IRRECONCILABLE
Peiping, Jen-min Jih-pao, 29 April 1960

[From an editorial: "Tribute to the Courageous South Korean People."]

The South Korean people's struggle against the US and Syngman Rhee clique proves that the contradictions between imperialism and the masses, and between the oppressors and the oppressed, are irreconcilable. Such contradictions can be settled only through struggle. The occupation everywhere of other countries' territories by US imperialism and its oppression and enslavement of the people of these countries is bound to give rise to the people's struggle and resistance. The greater the oppression and misery suffered by the people, the sharper will be the contradictions between them and the oppressors; the stronger their desire to change the status quo, the more vehement their resistance will be. All oppressed nations and peoples will in the end rise against the imperialist oppressors and strive for their freedom and liberation. This is a rule of historical development independent of human will.

CHINA AND SOUTH ASIAN COUNTRIES COEXIST PEACEFULLY
Peiping, Jen-min Jih-pao, 30 April 1960

(Editorial) At the invitation of Nepalese Prime Minister Koirala, Premier Chou En-lai of our country paid a visit to Nepal, our friendly neighbor, from 26 to 29 April. He was honored with a ceremonious reception and enthusiastic welcome by the government and people of the Kingdom of Nepal. During his visit, Premier Chou En-lai held sincere talks with Nepalese Prime Minister Koirala, and achieved further successes in developing the friendly relations between China and Nepal. They signed the Sino-Nepalese Treaty of Peace and Friendship and exchanged instruments of ratification by the two governments on the boundary question between the two countries. The great successes achieved by the visit to China of Prime Minister Koirala not long ago and by the visit paid by Premier Chou En-lai to Nepal this time mark the entry of the friendly relations between China and Nepal onto a new stage. [Nepal has since accused China of border violation, murder, and kidnapping.]

In the meantime, we are glad to see that the Burmese Parliament on 28 April ratified the Sino-Burmese Treaty of Friendship and Mutual Non-Aggression and the Sino-Burmese Treaty on the Boundary Question between the two countries, which had

been signed only recently. The new development in the friendly relations between China and Nepal and between China and Burma will serve as a new, good example for the development of friendly and cooperative relations between Asian and African countries in accordance with the five principles of peaceful co-existence and the Bandung spirit.

The fruitful mutual friendly visits recently conducted by leaders of the Chinese, Nepalese, and Burmese governments eloquently prove that there is a great foundation on which friendship, cooperation, and solidarity can be established between Asian and African countries.

We are glad to see that the mutual visits conducted by the Chinese and Burmese leaders have led to the conclusion and ratification of the Sino-Burmese Treaty on the Boundary Question Between the Two Countries and the Sino-Burmese Treaty of Friendship and Mutual Non-Aggression and that the mutual visits conducted by the Chinese and Nepalese leaders have led to the conclusion of the Sino-Nepalese Treaty on the Boundary Question between the Two Countries, the Sino-Nepalese Treaty on Economic Aid, and the Sino-Nepalese Treaty of Peace and Friendship. These treaties are completely in harmony with the common aspirations and interests of the Chinese and Burmese peoples as well as the Chinese and Nepalese peoples. Only the imperialists and the ill-minded reactionaries who want to undermine the friendly relations between Asian and African countries will be displeased by and hostile to these treaties.

SOLIDARITY AGAINST IMPERIALISM

Peiping, Pei-ching Jih-pao, 2 May 1960

On 1 May, International Labor Day, the Shih-ching-shan Sino-Soviet Friendship People's Commune celebrated the occasion with a gala affair in an atmosphere of unity and friendship.

The chief of the Korean delegation, Ko Song-sun [deputy director, Korean Central News Agency] said "While our socialist camp is getting better day by day, the enemy's [camp] is deteriorating day by day. The people of South Korea have already ousted Syngman Rhee who was supported by US imperialist rifles (ch'iang kan tzu). However, the struggle is not over. It has just begun. US imperialism is our common enemy, and we, the peoples of Korea and China must maintain a resolute struggle against US imperialism to drive it out of South Korea and Taiwan."

EDITORIAL SAYS CHINA AND ALGERIA FORM A FIGHTING FRIENDSHIP
Peiping, Jen-min Jih-pao, 20 May 1960

[From the editorial: "Hold Aloft the Anti-Imperialism
Banner and March Forward Together."]

The joint communique of the Chinese Government and the Provisional Government of the Algerian Republic reflects the mutual concern and support of the Chinese and Algerian peoples in their common struggle against imperialism. The joint communique correctly reviews the international situation, particularly the situation in Asia and Africa. The joint communique of the Chinese and Algerian governments indicates the Chinese and Algerian peoples' resolute support of the righteous struggles of the peoples of various countries in Asia, Africa, and Latin America who are fighting for or safeguarding their national independence and democratic freedom.

The peoples of China and Algeria have formed a close, fighting friendship in their common struggle. The Chinese people are glad to know that in their talks the leaders of the Chinese and Algerian governments have studied various ways to improve the friendly cooperation and relations between the two countries. We are firmly convinced that the friendship between the people of China and Algeria will be uninterruptedly strengthened and developed with every passing day. Let us hold aloft the anti-imperialism banner and march forward together.

KUO MO-JO PREDICTS END FOR DICTATORS
Peiping, Jen-min Jih-pao, 25 May 1960

[From a letter addressed to the Japanese people by
Kuo Mo-jo.]

As a result of your efforts, Kishi had to expose his vicious fascist countenance by trampling on your Diet, beating up your Diet members, and arresting your workers, peasants, and young students. War criminal Kishi is still a war criminal, and his methods are not any better than those of Syngman Rhee.

U.S. imperialism is the most vicious enemy of world peace. Many who previously believed that Eisenhower was a peace-loving president and that he would bring peace to the world have been disillusioned. The flames which overthrow traitorous dictators are spreading from east to west Asia, and the tide against US imperialism is surging from the Pacific to the Atlantic. All oppressed people will stand up. The end of traitorous dictators is coming, and the burial of imperialism is imminent.

EDITORIAL ON SINO-INDIAN PREMIERS' TALKS
Peiping, Jen-min Jih-pao, 27 April 1960

Chinese Premier Chou En-lai and his party concluded their friendly visit to India on 26 April. On the previous day, the Chinese and Indian Premiers issued a Joint Communique. During his visit, Premier Chou En-lai had a number of long talks with Premier Nehru on questions of common interest, and especially the Sino-Indian boundary question.

The Joint Communique points out that these talks enabled both sides to explain fully their respective stand on problems affecting the border areas and led to a greater understanding of the views of the two governments. Although the 7-day talks did not result in an agreement for the settlement of the boundary question, yet both sides agreed that officials of the two governments should meet and examine, check and study the factual material relevant to the boundary question and report to the two governments. Both sides also agreed that during the period of further examination of the factual material, every effort should be made to avoid friction and clashes in the border areas...

Though the talks of the two premiers reached no agreement on the settlement of the boundary question, it is not impossible, as Premier Chou En-lai has pointed out, to find common points or points of proximity on the issue, which in his view, can be broadly summarized into the following six points:

1. There exist disputes with regard to the boundary between the two sides.
2. There exists between the two countries a line of actual control up to which each side exercises administrative jurisdiction.
3. In determining the boundary between the two countries, certain geographical principles, such as watersheds, river valleys and mountain passes, should be equally applicable to all sectors of the boundary.
4. A settlement of the boundary question between the two countries should take into account the national feelings of the two peoples towards the Himalayas and the Karakoram Mountain.
5. Pending a settlement of the boundary question between the two countries through discussions, both sides should keep to the line of actual control and should not put forward territorial claims as pre-conditions, but individual adjustments may be made.
6. In order to insure tranquillity on the border so as to facilitate the discussions, both sides should continue to refrain from patrolling along all sectors of the boundary.

The Sino-Indian boundary question is a complicated question left over by history. Because there are still distances between

the two sides in their views on the boundary question, they are bound to encounter some difficulties in the course of seeking a solution. But we always maintain that although this question is not yet settled for the time being, it should not and cannot shake the foundation of the long-standing friendship between the people of our two countries.

Both China and India are peace-loving countries. The solidarity of the one billion people of China and India was, is and will be a great force in defense of world peace. The common interests of the Chinese and Indian people require us to make still greater contributions to the cause of world peace and progress in the new epoch. The great Indian poet Rabindranath Tagore said in 1924 that the friendship and solidarity between China and India was the foundation stone of a struggling Asia. Today we still cherish these words of Tagore. We are convinced that the difference between China and India concerning the boundary question will eventually be solved reasonably and that through the joint efforts of the Chinese and Indian people, the traditional fraternal friendship between the one billion people of China and India will dispel all dark clouds of evil and illumine the whole of Asia.

STUDY MAO

STUDY MAINLY MAO'S THEORIES

Kwangtung, Shan-yu (Upstream), No. 4, 25 February 1960

From the editorial: "Study Political Economy, Study Comrade Mao Tse-tung's Economic Theories."

The fact that socialist construction in China has made tremendous progress provides another vivid proof of the power of Mao Tse-tung's thinking. It shows that Comrade Mao Tse-tung's theories concerning socialist construction are correct in their entirety... Hence, studying political economy and Comrade Mao Tse-tung's theories concerning socialist economic construction is at present a pressing task in studying theory and is also the urgent demand of the cadres at-large...

Generally speaking, compared with their study of Marxist philosophy and scientific socialism, most of our cadres have not studied political economy sufficiently. We have been carrying out economic construction work for a number of years; we have gained rich practical experience; and the CCP Central Committee and Comrade Mao Tse-tung have made highly theoretical summaries of China's experience in this connection, have formulated the party's general line for socialist construction, have drawn up a whole series of directives and policies for implementing the general

line, and have creatively developed Marxist economic science. However, because economic construction as a task is becoming ever heavier while our systematic and comprehensive study of Comrade Mao Tse-tung's writings is very inadequate, we are unable to solve properly many of the economic problems encountered in carrying out theoretical and practical work. Hence, many of us feel the urgency of pursuing studies anew and especially of studying Comrade Mao Tse-tung's theories concerning socialist economic construction...

Comrade Mao Tse-tung has not only made important additions to the theories in Marxist philosophy and scientific socialism, but also made outstanding contributions to the theoretical treasure-house of political economy...

The party's general line for socialist construction is a concentrated fulfillment of Comrade Mao Tse-tung's theories concerning socialist economic construction... We should regard the solution of practical questions in socialist construction as our principal purpose, regard Mao Tse-tung's thinking as our guide, consult Comrade Mao Tse-tung's writings and the great practice of socialist construction in China, refer to the writings on political economy by Marx, Engels, Lenin, and Stalin, and in this way carry out our studies. For the sake of convenience, one may use the Text-Book of Political Economy (third edition) published by the Soviet Union as one's guide and study it while referring constantly to the above-mentioned writings...

To regard the study of political economy as the duty of economic workers only is as wrong as to regard socialist economic construction as the duty of economic workers only... Hence, studying political economy and Comrade Mao Tse-tung's economic theories is a duty for all cadres... In other words, we should study, purposefully basing our studies mainly on Comrade Mao Tse-tung's writings and the practice of socialist construction in China, and building our studies around the pressing questions in our economic construction. While studying, we should manifest the spirit of independent thinking and contemplation; deal with the various arguments encountered by analyzing, differentiating, and comparing them; apply the stand and viewpoint of Mao Tse-tung's thinking; make it clear as to which items of experience are correct and possible of universal application, which items of experience are correct but are applicable only under definite conditions, and which items of experience are erroneous; and theoretically draw a clear line of distinction between Marxism and non-Marxism. Only thus shall we be able to digest what we have studied and to put what we have studied into practice. This is the method of studying Marxism-Leninism purposefully and creatively, which Comrade Mao Tse-tung has always taught us.

MAO, LEADER OF CULTURAL AND ARTS REVOLUTION
Peiping, Jen-min Jih-pao, 12 June 1960

The national conference of outstanding units and workers of socialist construction in the fields of education, culture, sanitation, sports, and journalism has been successfully concluded.

The victory of the cultural revolution of our country is a brilliant victory of Mao Tse-tung's thinking which combines Marxism-Leninism with the Chinese revolution and construction. In the new upsurge of cultural revolution, all cultural and educational workers must strive hard on their own initiative to study Marxism-Leninism and Mao Tse-tung's works, and arm themselves with Mao Tse-tung's thinking.

MAO'S WORKS BEING BOUGHT IN SHANGHAI
Shanghai, Chieh-fang Jih-pao, 17 April 1960

According to available statistics, from 1 January to 31 March 1960, the Shanghai bookstores sold over 2,670,000 copies of Mao Tse-tung's works or twice as many as the total number of copies sold in 1958 and 1959. The Shanghai Library and ten municipal libraries also reported that in those 3 months, 20,993 copies of Mao's works were loaned out. The Nan-shih Library reported that in March 1960, readers borrowed three times as many copies of Mao's works as in the entire year of 1959.

TRADE AND FINANCE

CHINA'S FOREIGN TRADE ARRANGEMENTS AND ACTIVITIES

[The following are extracts of sections 2 and 3 of Chapter VI (Foreign Economic Contacts of the Chinese People's Republic) of the Russian study "Razvitiye ekonomiki i vneshneekonomicheskikh svyazey Kitayskoy narodnoy respubliki (Development of the Economy and Foreign Economic Contacts of the People's Republic of China, 1959, 558 pp.)]

1. The Establishment of a New System of Foreign Economic Contacts for the CPR

The victory of the great people's democratic revolution opened entirely new prospects for China in the field of her foreign economic contacts.

In the Chinese People's Republic the reconstruction of the system of foreign economic contacts on a nationwide scale is

facilitated by the policy of government control of foreign trade in coordination with the policy of protectionism. That was provided for under the terms of the general program of the people's political consultative council of China (Article 37) which was adopted in 1949 before the proclamation of the Chinese People's Republic.

The policy of utilizing, restricting and transforming private capital in China's foreign trade meant, first, the deliberate utilization by the government for the benefit of the people of the resources, manpower, the business contacts on the world market at the disposal of the numerous private firms; second, the restriction of their planless activities with a view to preventing the importation into the country of goods not needed at a given moment and the export of goods required in the country's economy, as well as reducing the anarchy in the field of foreign trade prices; third, their gradual transformation into socialist enterprises by way of substituting public ownership for capitalist ownership and transforming the capitalist by way of re-educating them from exploiters to workers earning their living by their own labor.

The socialist transformations of the private sector in the foreign trade of the CPR are carried out, as in the other branches of the national economy of China, in two stages. In the first or contemporary stage, characterized by the transformation of private capitalist enterprises into state capitalist ones, wide use has been made of the lower, medium, and higher forms of state capitalism. Under the conditions of the Chinese People's Republic, the merger of several firms for the purpose of joint operations and the merger of a state and private organization for the same purpose should be classified under the first two forms. In both cases the operations of these mergers were controlled by state companies which made large-scale use of them as their intermediaries and commissioners in the export and import business. Moreover, the government companies sent their workers to help them. All that made it possible to include the operations of such mergers into the state plan at a given stage. The higher form of state capitalism in the foreign trade of the CPR is represented by mixed state-private companies established by way of organizing under the supervision of state companies of large mergers of private firms located in the same area (port, city, etc.), and engaged in similar operations. The medium and lower forms were characteristic for the period up to 1956, and the higher form became widespread in 1956.

The socialist transformations of the foreign trade of the CPR have been accompanied by the consolidation of the state sector, and an improvement in the foreign-trade organization. These closely interconnected processes may be divided into two

major periods, the first of them coinciding with the restoration period of the economy of the CPR, and the second with the planned large-scale economic construction.

The first period, begun before the proclamation of the Chinese People's Republic, was ushered in with the establishment of legislative and organizational forms of state control and regulation of foreign trade on the large area level. Thus in the first half of 1949, following the liberation of Northern and Eastern China, the newly established local governments (local people's governments) issued a number of decrees on the system of controlling foreign trade, collecting customs duties, controlling foreign currency, etc. Special bureaus for the control of foreign trade were opened in Tientsin and Shanghai for the purpose of translating those decrees into reality.

The first decrees issued by the new organs of government on foreign trade already contained a number of important premises on which the reconstruction of that branch of the national economy was based. These decrees provided in particular for the abolition of all the old colonial agreements on reduced customs duties, and the introduction of strict control over the import-export operations to be exercised by special state organizations. The effectiveness of such control was secured by the introduction of a permit system. Registration was made compulsory for all the foreign trade firms (local and foreign), which were allowed to operate only upon receipt of a special permit from the government foreign-trade organizations. Foreign currency control was established everywhere and the exporters were required to submit their foreign currency to the state bank. To import goods into the country, the importer had to get a license and a permit to buy foreign currency in the bank.

The export of some of the most important types of commodities became a government monopoly. Thus in January 1950 the central government of China announced the establishment of government monopoly on the export of wolfram, tin, antimony, bismuth, and molybdenum. The introduction of a monopoly on the exports of bristles, soybeans, etc., was announced in East China in February of the same year.

In its first stage, the state control over foreign trade already created the necessary conditions for the transfer of a considerable part of the import-export operations to the hands of government foreign-trade organizations.

The import and export of goods under the state trade system was carried out by special government foreign-trade companies created by a decision of 10 March 1950 "on measures to unify the state trade in the country." Six such companies were organized at first: for the trade in bristles, butter and fats, tea, mining products, and local industry products, as well as an import-export

company [see Note below]. They were established under the Ministry of Trade as independent government foreign-trade organizations operating on the basis of self-sustaining work. The functions of these companies were not restricted to export and import operations alone -- they included also the procurement and processing of export goods and the marketing of import commodities. (Note: The following additional companies were formed in 1950-1951: import, silk, "grain export," marine transport, wool and fur export companies, and the export of egg products. In July 1951 the companies engaging in exports of bristles, egg products, wool, and furs were merged into a single company for the export of animal products.)

At that time the Communist Party and the government of the CPR also devoted a great deal of attention to the establishment of a new customs system. The major direction of that effort was determined by the decision of the state administrative council "on a customs policy and customs operations" adopted on 27 January 1950.

The supervision of the customs service at that time was exercised by an independent government institution, the main customs administration, subordinated directly to the government of the CPR. By a decision of 27 January 1950 the customs houses were relieved of a number of inappropriate functions inherited from the past: the administration of ports, the clearing of river beds, coast patrol, etc. The functions of the customs service were limited to the control and supervision of imported and exported goods and foreign currency, the payments of duties and the fight against contraband with a view to safeguarding the country against the economic aggression of the capitalist countries.

The new customs service organization was legislatively incorporated in the temporary customs code of the CPR adopted by the Chinese government on 23 March 1951 and made effective on 1 May of the same year. The code introduced uniform methods of customs control throughout the country, defined the rights and functions of the customs institutions, and their legal relationship with other institutions and private persons permitted to engage in foreign-trade operations in the CPR.

Its decision of 27 January 1950 provided further for the introduction of a double-column tariff under which ordinary duties were paid by the governments having a trade agreement with the Chinese People's Republic, and higher duties by governments which had no such agreement with the CPR.

The mentioned principles were embodied in the customs tariff of the CPR adopted by the State Administrative Council on 4 May 1951 and put into effect on 16 May of the same year. According to the above-described principles, the new tariff was clearly protectionist.

Thus if under this tariff the imports of equipment and major types of raw material facilitating the development of CPR's economy were dutiable to the extent of not over 20% of their value, then such goods as coal, wool, eggs, fruit, etc., which are produced in the country in large quantities are dutiable to the extent of 50-100% of their value. The duties on luxury items (wine, perfumery, cigarettes, etc.) were fixed at 120-200% of their value. The duty rates were differentiated according to the legal foundation on which the trade between the CPR and the particular foreign government was carried out. General (higher) duties were charged for goods imported from countries which had no trade treaty with the Chinese People's Republic, and minimum rates were chargeable for goods purchased in countries which had concluded such trade treaties with the CPR. In a number of cases the difference between these and the other duties was as high as 200%.

Export goods are as a rule exempt from duties. An exception to this rule is a small range of goods which are in particularly great demand abroad. For example, the export duties on peanut and tung oil were fixed at 10%, peanuts 15%, bristles 30%, and menthol and peppermint oil 55%.

During the respiration period the state sector was firmly established in a dominant position in the country's foreign trade. If in 1952 it accounted for 53% of the total exports and 71% of the imports, then in 1951 the state sector concentrated in its hands 90% of the CPR's entire foreign trade. The number of private firms participating in foreign trade was markedly reduced, but the extent of their trading operations was still fairly large.

Thus by the end of the restoration period there was established in the Chinese People's Republic a single centralized system of control and management of foreign trade based on the rapidly growing and strengthening state sector which had come to hold a dominant position in the country's foreign trade.

The transition to large-scale economic construction under the First Five-Year Plan called for a further improvement of foreign-trade control. The forms of foreign-trade organization in the CPR were subjected to thoroughgoing changes in that period.

By a decision of the CPR government of 7 August 1952 the administration of foreign trade was replaced by a ministry of foreign trade. By a decision of 15 November of the same year the local foreign-trade administrations of the enlarged administrative districts were changed to offices of the commissioners of the Ministry of Foreign Trade. They were charged with the control over the activities of all the foreign-trade organizations and private firms engaged in foreign trade.

On 9 January 1953 the Main Customs Administration was incorporated into the Ministry of Foreign Trade and became one of its integral parts. At the same time, the foreign-trade control

bureaus existing in the large ports and exit points were liquidated and their staffs merged with those of the appropriate custom houses, which assumed the following functions of the liquidated bureaus:

1. The implementation of the license system in foreign trade, the checking of prices, and the issuance of licenses;
2. The registration of companies and enterprises engaging in foreign trade;
3. The drawing up of a foreign-trade plan for a given port or border point, submitting it for approval by the central government and organizing its implementation (Hsin-hua Yueh-pao, 1953, No. 2). (The customs houses have been relieved of the latter function since the beginning of 1954.)

Following the liquidation of the system of large administrative districts at the end of 1953, offices of the trade ministry commissioners were established in various provinces. The administration and control of the foreign trade of the CPR were thus concentrated in a single special organization, the Ministry of Foreign Trade.

The foreign-trade companies of the CPR were also reorganized during that period. In 1952-1953 each import company was replaced by four new companies: for the import of sets of equipment and the tackling of technical aid problems ("Tekhnoimport"), for the import of machines and equipment ("Machine-import"), for the import of metal and electrical equipment ("Metal-electro-import"), and for the import of chemicals, oil, and miscellaneous products (Chemical and miscellaneous import). A company for the import of apparatuses, instruments, etc., (Instrument-import) came into being in 1956. Companies were also set up for the exports of foodstuffs and various industrial commodities, as well as a land transport company in 1951-1953. A boat-chartering company (China freight) was opened later on.

In 1955 the foreign-trade companies of the Chinese People's Republic began to engage in both import and export operations involving their entire nomenclature of goods and the exchange of such goods with all countries.

The other measures adopted in the field of foreign-trade organization in the CPR during the Five-Year Plan include:

- 1) the establishment of commissions of merchandise experts in the shape of a main administration under the Ministry of Foreign Trade of the CPR and its subordinate local administrations and departments at the ports, at the major concentration points of import-export goods, and in the main areas of their production, etc. (December 1953);
- 2) the establishment of a foreign-trade institute for the training of qualified foreign-trade personnel (September 1954);
- 3) the establishment of an arbitration committee under the Chinese committee for the promotion of

international trade (April 1956); 4) the organization of a scientific-research institute of business conditions (1956).

The Communist Party and the government of the Chinese People's Republic are striving to make wider use of the potential possibilities of the state-capitalist enterprises in foreign trade. To that end, the state-capitalist companies are being replaced by industrial import associations which include various companies on the basis of their past experience in foreign trade and actual possibilities. The new associations are staffed with specialists in various types of merchandise who were formerly employed in the import enterprises belonging to foreigners.

Thus during the First Five-Year Plan the Chinese People's Republic made long forward strides in the consolidation of the state sector, in the socialist transformation of private foreign-trade enterprises, and in the organizational improvement of foreign trade.

2. Foreign Trade of the Chinese People's Republic

According to the Chinese press, the development of CPR's foreign trade is characterized by the following indexes.

The Dynamics of CPR's Foreign-Trade Turnover

	<u>1950</u>	<u>1952</u>	<u>1953</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>
In point of value (million yuan)	4,148	6,471	8,089	8,462	10,992	10,865	10,353	11,802
As a percentage of 1950	100	156	195	204	265	262	250	285

Sources: Jen Min Jih-pao, 13 Jul 1957 and 13 February 1958;
Druzhba, 30 Jun 1957 and 24 December 1958.

The growing scale of foreign trade, the longer lists of imported and exported items, and the development of every aspect of foreign trade called for a steady improvement of the planning management of that branch of the national economy. The questions of foreign-trade planning were raised at the VIII Congress of the Communist Party of China. It was pointed out at the Congress in particular that foreign-trade planning was still characterized by imprecision, and the import-export plan is all too frequently subjected to considerable changes.

The shortcomings in export planning were severely criticized at the Congress. As was pointed out at the Congress, the foreign-trade planning in recent years has focused major attention on imports, and the problem of making such imports possible by sufficient export resources was sometimes neglected. It sometimes happened that in planning additional imports no provisions were made for corresponding increases in exports. The export plan was not reported to the provinces and cities together with the national economic plan. As a result it was not reflected in the plans drawn up by the local authorities which made it more difficult to mobilize the export resources.

Concrete proposals designed to improve the planning of the foreign trade of the Chinese People's Republic were made at the VIII Congress. It was proposed in particular that the plan for the production of export goods be made an integral part of the national economic plan. It was also suggested that no changes should be made in the import-export plan during the year if at all possible, and that such changes should be introduced only in emergency cases. The adoption of the mentioned proposals will contribute to a further improvement of foreign-trade planning in the CPR and a closer coordination between foreign trade and all the other branches of the national economy of China.

2a. Imports

The items accounting for the bulk of the imports most urgently needed by the Chinese People's Republic are machines and equipment, which in recent years have accounted for approximately 60% of the total value of imports to the CPR (Jen-min Jih-pao, 13 Jul 1957). It is known that machine building in China under the people's government has been developing at a very rapid pace. The production of metal-cutting machine tools between 1952 and 1957, for example, increased by 82%. The machine-building plants mastered the production of more than 3,600 new items in the 1950-1956 period. During the First Five-Year Plan, according to the Chinese press, the Chinese machine-building industry was able to meet about 50% of the country's requirements for machines and equipment, while heavy and complex machinery had to be imported almost entirely. In 1957, 60% of the country's machines and equipment were produced within the country.

As may be seen from the figures, the machines and equipment imported in the past years have played a decisive part in the industrialization of the Chinese People's Republic. In the period 1950-1956 the Chinese People's Republic imported from abroad the complete equipment required for 245 plants; in addition, 20,700 metal-cutting machine tools were imported in 1950-1955 by separate orders.

The machines imported during the restoration period and the First Five-Year Plan were designed primarily to equip the heavy-industry enterprises. But at the same time the CPR also purchased abroad certain quantities of equipment for its light industry such as sugar-refining plants and paper mills. Besides, the Chinese imports of this group of commodities included also a sizable share of transportation facilities and agricultural machines (first of all tractors). More than 1,500 railroad cars, over 40,000 trucks, and about 1,600 tractors have been imported to the CPR in recent years.

Mention should be made of the rapidly growing import of laboratory equipment, apparatuses, and reagents which have recently accounted for a large part of Chinese imports. The money spent abroad in 1952-1956 for the purchase of such items amounted to 386 million yuan, and the import plan for 1957 called for an additional 98 million yuan to be spent on such items. Thus the import of laboratory equipment, apparatuses, and reagents in the mentioned 6 years amounted to an annual average of about 80 million yuan (over 30 million dollars) which is 5 to 10 times as much as before the liberation (Jen-min Jih-pao, 13 July 1957).

Within the next few years the foreign market will continue to be an important source of equipment for the CPR. But the importance of machine and equipment imports for the national economy of the CPR should markedly diminish. The problem outlined by the VIII Congress of the Chinese Communist Party was to produce 70% of the machinery and equipment required for the economic construction by 1962. (Liu Shao-ch'i, Report of the Central Committee of the Chinese Communist Party to the VIII Congress of the Chinese Communist Party, Druzhba, 18 September 1956). The next problem the builders were urged to tackle was to strive to build the factories and plants with their own forces. The demand made by the government of the CPR was that "70-80% of the equipment required in the construction of new enterprises be of Chinese production" (Druzhba, 23 May 1957). In that demand the planning organizations of the CPR are motivated by the fact that Chinese-made equipment is in most cases 1.5-2 times as cheap as imported machinery. But as Po I-po, deputy premier of the State Council of the CPR, pointed out, "the imports of machines and equipment that can be produced in the country must be reduced or discontinued even if the quality of such machines turns out to be lower and the prices higher than the imported machines" (Druzhba, 13 July 1957).

In 1957 the CPR was able to produce 77% of its blast-furnace equipment, 90% of the steel-smelting machinery, 88% of the mine elevators, 74% of the drilling machines for geological purposes, 60% of the equipment for the papermaking industry, etc. The imports of metal-cutting machine tools have been considerably

reduced in recent years. In 1958, 80% of such machines were already produced in the country. As the foreign-trade minister of the CPR pointed out, the further the economy advances the stronger the tendency to reduce the volume of machine and equipment imports to the CPR. The future imports to the CPR will contain a correspondingly increasing share of raw materials and certain consumer goods.

As for the absolute volume of machine and equipment imports, it will obviously be considerably greater in the Second Five-Year Plan than in the first.

Another very important item of the imports to the Chinese People's Republic is ferrous metal, which has accounted for about 10% of the total imports to the CPR in recent years. The Chinese People's Republic initiated the industrialization of the country with a very poor metallurgical base. About 20% of CPR's rolled metal requirements and almost all of certain types of rolled metal had to be imported during the First Five-Year Plan. The Chinese press reports that in the 7 years since the formation of the CPR about 5 million tons of ferrous metal were imported to the country.

The Share of Imports in the Total Volume of Certain
Types of Equipment in the CPR During the First
Five-Year Plan (As % of the Total Use)

	<u>1953</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>
Metal-cutting machine tools	35.8	40.8	29.1	24.2
Forge-press equipment	31.6	27.7	26.9	28.1

Source: T'ung-chi Kung-tso, No. 13, 1957

In view of the fact that the plan for the economic development of the CPR in the next few years calls for a rapid expansion of ferrous metal production at home (the 1958 steel output amounted to about 11 million tons and the plan for 1959 calls for 18 million tons), the Communist Party and the government of China are now urging that "the home industry be capable of meeting all the requirements of the national economy, both in point of quantity and variety, particularly in machine building and rolled metal after the completion of the Second Five-Year Plan" (Chou En-lai, "On the Proposals Relating to the Second Five-Year Plan for the Development of the National Economy," appendix to the magazine People's China, No 20, 1956, pp. 39-40).

The importance attached to the implementation of that problem is emphasized by the recent reduction in the imports of rolled ferrous metal. Thus if the amount of rolled metal imported by the CPR in 1953 was 850,000 tons, its imports in 1956 were down to only 530,000 tons and the plan for 1957 called for a further substantial reduction in purchases of rolled metal on the foreign market.

The Share of Imports in the Total Consumption of Rolled
Steel in the CPR During the First Five-Year Plan
(As % of the Total Consumption)

1953	36.4
1954	28.8
1955	24.7
1956	14.2
1957	12.0

Sources: T'ung-chi Kung-tso, No. 13, 1957;
Jen-min Jih-pao, 20 September 1957.

In 1957 Chinese production could not meet the demand for such types of rolled metal as sheet steel, white tin, pipes, large-size rolled metal, and alloyed sheet steel. It should be pointed out that 90% of the high-quality metal, almost all of which had been imported before the liberation, was produced in the country in 1957.

The reduction in the imports of ferrous metals has been paralleled by a marked increase in their exports. Present-day production of ordinary rolled metal is capable of meeting the domestic demand, and part of the output can even be set aside for exporting abroad. In 1956, for example, the export of rolled metal amounted to 210,000 tons.

Oil and oil products are important import items of the Chinese People's Republic. Although oil production in the CPR has been considerably increased in recent years (from 122,000 tons in 1949 to 1,400,000 tons in 1957), Chinese production still cannot meet the daily growing demands of the country. Until recently imports were a very important source of China's supply of oil and oil products. In 1956 the imported oil products accounted for 44% of the total amount used in China. In the 7 years since the liberation, the Chinese People's Republic imported over 6.6 million tons of oil and oil products. A reduction in the imports of liquid fuel to China can hardly be expected within the next few years, although the planned accelerated development of the native oil industry since 1958 will undoubtedly make it possible to reduce the share of imported oil products and their total consumption.

Just as in the oil industry, the chemical industry of the CPR is one of the weak spots of the Chinese economy. Despite the enormous progress achieved in the development of the Chinese chemical industry, the CPR was until recently forced to import from abroad considerable quantities and a large variety of chemical products. Chief among them is mineral fertilizer, which is an important item of Chinese import. The agriculture of the CPR can use 20 million tons a year of nitrogen fertilizer alone if it

were used everywhere. At the same time, the 1956 output of ammonium sulfate in China was less than half a million tons. The CPR has therefore been increasing its purchases of mineral fertilizer abroad from year to year. The amount of fertilizer imported by the CPR in 1956, for example, was 650,000 tons more than in 1954. More than 3.7 million tons of mineral fertilizer were imported to China from other countries between 1950 and 1956. Chinese production of ammonium sulfate during the same period amounted to about 1.6 million tons.

The Share of Imports in the Total Use of Mineral
Fertilizer in the CPR in the First Five-Year
Plan (As % of the Total Consumption)

1953	3.1
1954	21.4
1955	61.3
1956	57.7

Source: T'ung-chi Kung-tso, No. 13, 1957

In the future the Chinese People's Republic will develop the production of mineral fertilizer in the country at a rapid rate. But the new demands made upon China's agriculture by the Communist Party in connection with higher harvest yields indicate that the consumption of fertilizer will increase still further. And although the import will no longer play a decisive part in supply in the country with fertilizer, the latter will probably continue to be imported on a fairly large scale.

The other chemical products imported to the Chinese People's Republic from abroad include dyestuffs, materials for the extermination of agricultural pests, and a variety of chemically synthesized industrial products, etc.

The Chinese People's Republic has now succeeded in becoming independent of the foreign market in regard to the production of certain types of chemical products and has developed the production of these items to such a level that a certain amount of chemical products can now even be exported. An example of this are the soda products.

The Share of Imports in the Total Consumption of Soda
Products in the CPR During the First Five-Year Plan
(As % of total consumption)

<u>Soda products</u>	<u>1953</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>
Caustic soda	19.6	11.2	--	0.7
Calcined soda	10.2	--	--	--

Source: T'ung-chi Kung-tso, No. 13, 1957

In addition to soda products, China began to export alkalai, dyestuffs, and a number of other chemical products. In 1958 China's exports of chemical products are expected to increase by 40% as compared with 1957.

Natural rubber is a Chinese import item of growing importance. There are favorable conditions in China for growing rubber plants (for example, hevea) on the island of Hainan and in a number of southern districts. A considerable effort is now being made in the CPR to raise rubber-yielding plants. So far, however, the country's rubber requirements are met entirely by imports, and these requirements are very great, as, in addition to that of motor transport, there is a wide demand in China for rubber products among the population in view of the wide use of rubber footwear and the variety of vehicles using rubber tires. This is how special foreign sources estimate China's imports of rubber in recent years. (Rubber Statistical Bulletin, April 1958) (in thousands of tons):

1950	70.0
1951	73.2
1952	23.7
1953	60.0
1954	62.2
1955	50.0
1956	94.8
1957	113.5

The Chinese People's Republic has in recent years become one of the largest importers of natural rubber and will apparently continue to import that valuable raw material from abroad in substantial quantities.

Until very recently the import by China of certain nonferrous metals (copper, zinc, lead, and aluminum) played a fairly important part in the country's supplies. Between 1950 and 1956 the CPR imported from abroad almost 300,000 tons of nonferrous metals. Recently, however, these imports have been subjected to a gradual reduction: in 1956, for example, they were reduced by 15,000 tons as compared with 1953.

The Share of Imports in the Total Consumption of Nonferrous Metals in the CPR During the First Five-Year Plan
(as % of total consumption)

1953	38.2
1954	34.2
1955	11.9
1956	8.2

Source: T'ung-chi Kung-tso, No. 13, 1957

The foreign market has in recent years been the major source of the above-listed important Chinese import items (modern equipment, oil and oil products, fertilizer, and rubber), or has served to supplement Chinese production to a large extent (ferrous and non-ferrous metals, chemicals, dyestuffs, etc.). But the Chinese People's Republic also imported a number of items of productive importance the domestic demand for which had always been met by home production with import playing a secondary part.

These include, first of all, such raw materials for the textile industry as cotton, wool, and jute. There are a number of reasons for the imports of these raw materials.

Cotton, for example, has been imported because the textile industry has been developing more rapidly than the raw material base and the gap between them was further aggravated by the natural calamities in the cotton-growing areas in 1953-1954. Besides, the quality of the Chinese cotton did not always meet the requirements of textile production. Although, as the Chinese press pointed out, Chinese cotton has in recent years shown a marked improvement in fiber length, its durability has not always been adequate.

China has always been a cotton importer. But while in the old Kuomintang China, imported cotton accounted for an average of 27-37% of the total amount used by the textile mills, the development of the textile industry in the Chinese People's Republic is based primarily on Chinese raw materials (see following table).

The average share of imported cotton in the 7 years indicated in this table was 7.3% of the total amount of cotton processed by the Chinese textile industry.

The Share of Imports in the Total Consumption of Cotton
by the Textile Mills of the CPR

	Cotton used by mills (1,000 tons)	Imported Cotton	
		Quantity (1,000 tons)	Share of Con- sumption (%)
1950	611	134	21.9
1951	678	61	9.0
1952	880	77	8.7
1953	981	11	1.1
1954	1,049	42	4.0
1955	904	86	9.6
1956	1,146	44	3.8

Source: Chung-kuo Nung-yeh, No 17, 1957

The Chinese People's Republic will continue to purchase cotton abroad. The expediency of this is also determined by the fact that the import of cotton will make possible a fuller utilization of the textile industry as well as the export of the products made from the processed imported cotton.

The necessity of importing jute in 1956 was occasioned by the systematic failure to fulfill the jute production plan in the preceding years. China is compelled to get its wool from the foreign market because its own flocks of fine-wool sheep are still very small. The CPR is therefore importing annually more than 10,000 tons of sheep wool and tops, and a considerable part of the fabrics made from these materials are exported abroad.

As has already been pointed out above, the merchandise used for production purposes dominates the imports of the Chinese People's Republic. This shows most convincingly that the imports of the Chinese People's Republic are subordinated to the interests of the country's industrialization. But the Communist Party and government of China have always made a serious effort to meet the current material and cultural needs of the broad working masses. The CPR is therefore resorting to the use of the foreign market for the purpose of supplementing the stock of consumer goods the demand for which cannot yet be met by the home industry. In 1956, for example, the import of goods designed to meet the material and cultural requirements of the Chinese workers amounted to about 370 million yuan.

The major types of consumer goods imported by the CPR until recently were sugar, paper, medicines, and medical apparatuses. In addition, the Chinese People's Republic also purchased abroad certain quantities of textile goods, clocks, bicycles, etc. Characteristic of this group of merchandise is that its import has in recent years been markedly reduced in view of the development of home production, and China has now itself become an exporter of a number of commodities to the foreign market.

Medicines can be cited as a very striking example in this respect. During the restoration period 70-80% of the demand for medicines were met by imports, and in 1953 imported medicines still accounted for 37% of the total consumption in the country. But in 1955 the share of imported medicines dropped to 10.5%. If the 1953 import of medicines was estimated at 120 million yuan, the 1956 import went down to 40 million yuan.

A similar situation exists in the field of medical apparatuses. Before 1949 practically all the medical apparatuses and equipment had been imported by China from abroad. But now, as the Ministry of Machine Building reported in 1957, the Chinese People's Republic can meet a large part of the demand for these goods. The Chinese enterprises can now meet the entire

domestic demand for surgical apparatuses and most of the physiotherapy and X-ray equipment.

The CPR is now one of the greatest exporters of cotton fabrics to the countries of Southeast Asia, although it still continues to import small quantities of such fabrics from abroad (for example, from the United Arab Republic).

As for sugar and paper, the domestic production could not keep up with the rapidly growing demand for these items despite its rapid progress. Thus between 1950 and 1956 the production of paper went up from 140,000 tons to 700,000 tons, but its consumption went up from 200,000 tons in 1951 to 900,000 tons in 1956. The 1956 stockpile of newsprint amounted to 165,000 tons, but in 1956 plans for newspaper publications alone called for 200,000 tons of paper, as the publication of newspapers in 1956 increased by 83% in comparison with the previous year and another 50% in 1957.

The production of sugar, which went up from 249,000 tons in 1952 to over 500,000 tons in 1956, is still very insignificant from a per capita point of view -- less than a kilogram per person a year. The country therefore resorts to importing sugar from abroad for the purpose of supplementing the available stocks.

CPR's Sugar Imports
(1,000 tons)

1953	76.9
1954	97.9
1955	92.5
1956	132.0

Source: Hsin-hua Pan-yueh-k'an, No. 11, 1957

The major types of imports to the CPR discussed above showed the enormous importance of these imports for the entire development of CPR's economy in the previous stage. It is quite obvious that without the imports of the basic commodities for production purposes, the Chinese People's Republic, with its poor industrial-technical base inherited from the old China, would have found it extremely difficult to raise its productive forces, the most important condition for the construction of a socialist society. The imports have therefore been and for a long time will continue to be the most important feature of the CPR's foreign trade, dominating all the other aspects of foreign-trade operations.

2b. Exports

We shall further examine the question of the place and role of exports in the foreign trade of the Chinese People's Republic.

"Our export is subordinated to the interests of import," the minister of foreign trade of the CPR, Yeh Chi-chuan, told the session of the all-China assembly of people's representatives, "and the imports are subordinated to the interests of the socialist industrialization of the country" (Jen-min Jih-pao, 30 July 1955).

What are the major problems in the field of the CPR's exports?

To answer that question, we must first examine the changes that have occurred in the structure of the imports to China since the people's government came to power. The following table provides some idea of that.

The Changing Export Structure of the CPR During the
First Five-Year Plan
(%)

	<u>1952</u>	<u>1957</u>
Total cost of exports	100	100
Output of the extracting and processing industries	17.9	31.5
Agricultural products and the output of the peasants' auxiliary enterprises	82.1	68.5
Processed	22.8	27.8
Unprocessed	59.3	40.7

Source: Ta Kung Pao, 13 October 1957

The figures cited above reflect two major tendencies in the development of Chinese export: an increasing share of already processed industrial commodities and agricultural products is now being exported abroad. Both of these tendencies provide evidence of the important qualitative changes now occurring in Chinese export. But on the other hand, it should not be forgotten that despite these changes, agriculture has accounted for the bulk of Chinese exports in all these years. Herein lies the key to the understanding of the major export problems of the Chinese People's Republic.

Be a special decision the government of the CPR restricted the exports of grain products, soybeans, vegetable oil, and certain other foodstuffs. Chinese press reports reveal that during the First Five-Year Plan China exported abroad an average of one million tons of grain products and one million tons of soybeans every year.

Grain Exports From China in the First Five-Year Plan*
(1,000 tons)

1953	900
1954	800
1955	1,000
1956	1,320
1957	780

* Not including soybeans.

The reduction of grain exports in 1957 was dictated by the necessity of increasing the foodstuffs on the domestic market. In regard to vegetable oils it was first decided to maintain the 1954 export level to the end of the Five-Year Plan (in 1950-1953 the export of vegetable oils by the CPR averaged 246,000 tons a year, and in 1954 it was reduced by 30% as compared with 1953). But due to the critical situation on the domestic market in 1957 it was decided to reduce the oil exports still further. The result was a 100,000-ton reduction in the 1957 plan for oil exports. The export of pork in recent years has ranged from 160,000 to 220,000 tons a year. The critical pork situation in most of the provinces in 1956 resulted in a decision to reduce the originally planned pork export by 50,000 tons, that is, by approximately 25%, and in 1957 its export was further reduced by another two thirds as compared with 1956.

The export of important foodstuffs in the quantities indicated above could not seriously affect the supply on the domestic market. Thus the export of grain during the First Five-Year Plan amounted to only a little more than 1% of the total grain crop in the country.

The export of pork in recent years amounted to 3-4% of the total number of hogs or a little over 5% of the annual hog slaughter in the country.

The considerable increase in agricultural production in 1958 and the further expansion planned for 1959 have created a new situation in the field of supplying the domestic market with important commodities. Favorable prospects have been opened in this connection for the expansion of the export of certain types of deficit agricultural products.

As for secondary foodstuffs, their export has been growing at a fairly fast rate. Thus the export of fruit from Kwantung Province (the most important citrus fruit and banana-growing area) in 1956 to the countries of the socialist camp alone went up 30% as against 1955. The export of fish and fish products in 1956 increased 1.5 times. The proceeds from the egg products exported abroad in 1955 alone were equivalent to the price of 6,000 tractors.

The expansion of the exports of many types of secondary foodstuffs is held back to some extent by the shortage of refrigeration space, refrigeration ships, and isothermic railroad cars, as well as by fishing and fish-processing equipment in the Chinese People's Republic. The Ministry of Foreign Trade of the CPR believes that the present capital investments in that field are insufficient and has raised the question of increasing them.

Very much attention is now being focused in the CPR on the greatest possible development of exports of so-called locally produced commodities (traditional Chinese export goods), animal products, and handicraft art objects. The Chinese People's Republic has truly enormous potential resources of that group of commodities. There are more than 1,600 types of locally produced commodities alone in the country for which foreign markets could be found.

Most of these commodities are highly valued on the foreign market and the foreign-currency proceeds from their exports are very large. Thus the proceeds from Chinese silk exports between 1950 and 1956 could have been used to pay for the import of as many rails as there are in the entire railroad network of China. The foreign currency received by the CPR for the export of tung oil in 1954 alone was equal to the cost of 4,000 tractors, etc.

In the past years the Chinese-foreign trade organizations have achieved substantial success in increasing the export of local products, animal products, and handicraft art objects. In the 5 years between 1950 and the end of 1954 alone the export of these items increased 31 times, and the proceeds from the exports of locally produced commodities in that period were equivalent to the cost 5.5 million tons of imported rolled steel. But the possibilities for expanding the export of this group of commodities have not yet been fully utilized in the CPR. Thus the Chinese press has pointed out that the nomenclature of exported local commodities has so far embraced only a little more than one half of the commodities available in the country. In 1954 the export of these commodities abroad was still behind the prewar level. The export of 1954 major commodities was still only 94% of the 1936 export. The Chinese press pointed to the serious shortcomings in the export of these commodities also in 1956.

The output of the mining industry (nonferrous metals, coal, salt, iron ore, magnesites, asbestos, fluorspar, etc.) is acquiring increasing importance in the CPR's exports. The growing exports of these items may be judged by the fact that about 3 million tons of them were shipped between 1953 and August 1957 through the Tientsin port alone, and that their exports planned for 1957 were to exceed the 1952 level 13.5 times. The products of the mining

industry are one of the most promising items of Chinese exports. In addition to the traditional export items (tin, antimony, wolfram, molybdenum, coal, salt, etc.), the exports of the following items are scheduled to be expanded in the future: asbestos, mica, sulfur, borax, quartz, etc.

The growing export of industrial goods represents a new feature of Chinese exports. The finished products of the Chinese processing industry began to be exported abroad, particularly to the Asiatic countries, during the First Five-Year Plan. Their 1954 export was estimated at 150 million yuan. It continued to increase at a rapid rate. In the first 9 months of 1955, for example, China exported to the capitalist countries 3.5 times as much cotton fabric as in the entire year 1954, more than 18 times as much cotton yarn, over 4 times as much paper, more than 4 times as many nails, etc. In the first half of 1956 China made the following increases in its shipments abroad as compared with the corresponding period of the previous year: sewing machines 8 times, bicycles 3 times, footwear more than 4 times, stamped metal dishes 20 times, etc. The variety of exported industrial commodities has been increasing from year to year. Thus in 1955 it included more than 100 new types of commodities, and in 1956 the CPR exported to the foreign market about 600 different types of commodities produced by light industry alone.

The output of light industry, first of all textile products, still accounts for the bulk of Chinese industrial exports. It is highly significant, however, that for the first time in its history China became an exporter of heavy-industry products in 1955.

The Chinese People's Republic is already making regular deliveries of equipment to the Asian and African countries for their light industry enterprises. Thus under the agreements with a number of these countries (the Mongolian People's Republic, the Democratic Republic of Vietnam, UAR, Cambodia, etc.), the CPR has been shipping to them sets of equipment for textile mills, match factories, paper mills, glass, brick, and plywood plants. Shipments of metal-cutting machine tools, power equipment, rolled ferrous metals, and a number of chemicals were started. China is now also exporting paper, nails, and wire. The first shipments abroad of Chinese-made radio receiving sets were made in 1956.

The range of exportable goods was markedly extended in the last year of the Five-Year Plan.

The export of certain types of industrial commodities has reached a large volume and now amounts to a considerable percentage of their total production. The 1956 export of rolled steel, for example, amounted to 210,000 tons, and the cement exported in the first 4 years of the Five-Year Plan amounted to 10 million tons. The 1956 exports included 53% of the total output of caustic soda, 22% of the calcined soda, and 15% of the cement.

Dynamics of CPR's Exports of Certain Industrial Commodities
(1953 = 100)

<u>Industrial Commodities</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>
Power equipment	557	319	1,697
Rolled steel	170	930	2,020
Pig Iron	258	508	467
Caustic soda	114	349	824
Calcined soda	104	263	452
Cement	94	120	271

The Ministry of Foreign Trade of the CPR justly believes that the growing export of Chinese industrial commodities is a matter of great state importance both from an economic and political point of view. From the point of view of the CPR's economic interests, the expanding export of industrial commodities is, first, an important method of widening the range of exportable goods and changing the old structure of CPR's export. Secondly, the growing export of a large number of industrial commodities stimulates their increasing production at Chinese plants and factories. Although the development of the Chinese industry is undoubtedly oriented on the huge domestic market, certain enterprises and industries are for some reason or other not kept operating at full capacity by domestic orders alone. Herein we see the legacy of the old structure of Chinese industry and its disproportions which cannot be eliminated within a short period of time. The Chinese press pointed out, for example, that the Shanghai nail-producing enterprises, previously operating only at 60%, stepped up their production to full capacity as soon as the country began to export nails. The same thing is noted in the production of woolen fabrics, knitted goods, pencils, fountain pens, and sewing machines. In the opinion of certain Chinese specialists, the export can even stimulate a higher technical level and production volume of the machine-building industry in the CPR.

From a political point of view the export of industrial commodities is important first of all because it meets the vital requirements of the economic construction carried out by the fraternal peoples of the Korean People's Democratic Republic, the Mongolian People's Republic, and the Democratic Republic of Vietnam. Besides, the emergence of the CPR on the foreign markets with its industrial products is acquiring particular importance in the relations between the CPR and the underdeveloped countries of Asia and Africa. These countries have shown much interest in obtaining from the Chinese People's Republic machines, equipment, and technical assistance on the basis of equal rights and mutual advantage. As a certain knowledgeable Chinese author

reported, the CPR must "meet their aspirations for the development of their peaceful economy and the liquidation of their dependence on the imperialist powers. In addition, the export of our industrial commodities to the countries of Asia and Africa is important in that it raises the international prestige and extends the political influence of our country."

The growing industrial export of the CPR has faced the Chinese foreign-trade organizations with a number of important problems. First among them is the problem of improving the quality of the exportable goods. China has in recent years emerged on the markets of the underdeveloped countries with the type of industrial commodities that had long been supplied to those markets by the industrially advanced capitalist countries, particularly Japan. In view of this, every step on the way to the foreign markets made by the CPR's foreign-trade organizations is stubbornly resisted by certain imperialist circles. Under such conditions, the quality of the exported goods becomes of paramount importance.

The Ministry of Foreign Trade of the CPR has urged all the foreign-trade organizations to raise the quality of the exported goods and to improve their standards and packing. Preparations are now under way, in particular, to set up special export standards for industrial commodities, improve the control over the quality of the exportable goods, develop a number of special brands of exportable goods of very high quality attractively packaged, and designed to meet the specific demands of the foreign buyer. The products of the machine-building industry designed for export (particularly bicycles and sewing machines are supplied with spare parts.)

Of special importance in the struggle for a higher quality of exported industrial commodities are the special decisions adopted by the State Council of the CPR on that problem (July 1956). These decisions provide for a whole series of practical measures designed to facilitate the fulfillment of that task. These include, first of all:

- 1) the assignment of certain plants or shops to engage in the exclusive production of exportable goods;
- 2) the creation in the industrial ministries of special organizations or the appointment of special commissioners responsible for the production and delivery of exportable goods;
- 3) the relations between the Ministry of Foreign Trade and the industrial ministries are to be controlled in such a way as to give priority to export considerations;
- 4) the introduction of changes into the planning practice making it obligatory upon the industrial ministries to draw up special plans for the production of exportable goods within the framework of the state export plan.

The wide program of the further economic development of the Chinese People's Republic, adopted by the VIII All-China Congress of the Communist Party, has faced the country's foreign trade with complicated and honorable new tasks and is opening new prospects for its rapid and consistent development in the years to come.

1955 MONETARY REFORM IN NEW CHINA

Moscow, The Circulation of Money in The People's Republic of China, by Tseng Ling and Han Lei, from an abridged translation in Russian by Ye. Grebennikova and L. Novak, published in Gosfinizdat, 1959

The following is the full text of that part of Section VI of Chapter 3 of the above document which covers 'The 1955 Monetary Reform'. Preceding this text is the full table of contents of the translation of the Russian monograph which was published as JPRS: 3317, 1 June 1960.

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The monetary reform conducted in the People's Republic of China in March 1955 was, in nature, similar to the monetary reforms of other socialist countries. Its form was determined by the political and economic situation of our country at that period. This reform had its clear peculiarities, conforming to the specific situation in China.

The Economic Situation of People's China During the Period of Issuance of the New Money

The 1955 monetary reform was conducted on the base of a steadily developing production and expanding commodity turnover and of a balanced state budget and balance of payments with a long period of price stability (beginning with March 1950). The reform was realized during the period of considerable victories in the field of socialist transformation.

In 1954 the total value of industrial and agricultural output increased to 2.2 times that of 1949, and output of modern industry increased to 4.3 times that of 1949; production of grain increased by 50% and production of cotton by 160%.

The rapid upsurge in production was the base for the expansion of commodity turnover. The volume of retail trade sales in 1954 was 130 percent greater than in 1950.

On the basis of the development of industry, the expansion in trade, and the increase in the population's standard of living, the country's financial situation improved and

strengthened. Budget revenues in 1954 amounted to 27 billion yuan, 4.2 times the 1950 revenues, and expenditures amounted to 24.9 billion yuan, 3.6 times the 1950 expenditures. The excess in revenues over expenditures enabled an increase in the People's Bank's credit resources, which promoted favorable conditions for the further strengthening of the circulation of money.

China's balance of payments, based on successes in the reconstruction of the national economy, on the expansion of foreign trade and on the development of international economic relationships, developed normally and stably. Total receipts and payments of the 1954 balance of payments amounted to more than 2.2 times the 1950 level. During 1950-1952 payments amounted to 90% of receipts, and during 1953-1954, 98%. Thus, the balance of payments was balanced, and afterwards an excess of receipts over payments appeared. At the same time the country's gold reserves increased sharply.

In 1954 output of state industry comprised 59% of China's total industrial production; output of cooperative industry comprised 4%, that of joint state-private industry, 12%, and that of private industry, 25%. Consequently, the socialist sector occupied a predominating position in industrial production.

The share of socialist trade in wholesale sales reached 89% in 1954, and in retail sales, 59%. The position of socialist trade had strengthened considerably.

By the end of 1954 there were already almost 500,000 agricultural producer cooperatives throughout the country, and 11% of all peasant farms had joined the cooperatives.

Although the socialist sector had a firm position in industry and trade, private capitalist industry and trade still held a large share. In the countryside there was a considerable number of private farms, but conditions were already ripe for complete agricultural cooperation.

All this demonstrated the great successes in the matter of socialist construction and socialist transformation. The situation required a further improvement in our monetary system and the implementation of a monetary reform.

The Form and Peculiarities of the Monetary Reform

On 21 February 1955 the State Council of the People's Republic of China published an order on the issuance of new notes and withdrawal of the old notes which were then in circulation. The order noted:

"For the purpose of satisfying the requirements of state planned economic construction and the wishes of the wide masses of people, on the basis of the balancing of state financial revenues and expenditures and of the stabilization of the circulation of

money and commodity prices, and also for the further normalization and strengthening of the state's monetary system and the establishment of favorable conditions for commodity turnover and settlements, it is ordered:

1. That the People's Bank of China be instructed to issue new notes into circulation beginning 1 March 1955 (called below "new notes") and to remove the notes already in circulation (called below "old notes"). The new money is issued in the following face values: basic notes -- 1 yuan, 2 yuan, 3 yuan and 5 yuan; change -- 1 fen, 2 fen, 5 fen, 1 chiao, 2 chiao, and 5 chiao. The reverse of each note has inscriptions in Chinese, Tibetan, Mongolian and Uigur.

2. The rate of exchange between the new and old notes is set at: 1 yuan in new notes is equal to 10,000 yuan in old notes. From the day that the new notes are issued, all receipts and payments in money, price computations, contracts and agreements, receipts, licenses, entries in account books of all establishments, organizations, enterprises and individuals, and also international settlements are to use the new notes as a computational unit.

Settlements and payments of all claims and debts relating to the period before the issuance of the new notes, including state loans, are to be handled according to the established rate of exchange from that date.

3. All old notes are to be withdrawn from circulation by the People's Bank of China at the established rate of exchange. All persons in possession of old notes can exchange them from the day of issuance of the new notes into new notes at the People's Bank of China or establishments representing it in the exchange of money at the established rate. During the period when the exchange is being conducted, old notes will circulate along with new notes at the established rate of exchange." ("Constitution and Basic Legislative Acts of the People's Republic of China," translated from the Chinese, Izdatel'stvo inostrannoy literatury, 1955, pp 346-347)

Certain peculiarities are inherent in the 1955 monetary reform.

First, it was only some improvement on the former monetary system of jen min pi and did not have the purpose of completely replacing the old system. The monetary reform was conducted on the basis of the stable circulation of money and stable commodity prices. Although the old monetary unit represented a very small value, during the course of five years it was stable.

The form of the monetary reform was mainly a change in the scale of prices in the country so that the new price scale would conform more fully with the country's economic condition. The reform only improved, normalized and further strengthened the independent, uniform and solid monetary system of new China.

Second, since prices had been stable and the amount of money in circulation had filled requirements of commodity turnover since March 1950, the 1955 monetary reform only changed the face value of the money and the price scale (10,000 yuan in old notes were converted into 1 yuan in new notes). In a practical sense, the amount of money in circulation was not reduced.

This characteristic peculiarity of the monetary reform in China distinguishes it from the reforms implemented in the brother socialist countries after World War II. The implementation of the monetary reforms in the people's democracies resulted in a considerable reduction in the amount of money in circulation. Thus, in Poland 1/15 of the total amount of money in circulation before the reform was in circulation after the reform, in Rumania, 1/12, and in Czechoslovakia, 1/6.

During the period of implementing the reform in People's China the amount of money in circulation corresponded on the whole to the requirements of commodity turnover, proving the stability of the market. That is why it was necessary, in the monetary reform, that the amount of new notes would continue to correspond to the value which the old notes represented. Otherwise fluctuations in prices could occur, reflecting unfavorably on the country's national economy.

Third, the exchange of old notes for new was conducted at a single rate (10,000:1), without any differentiation for class or for the amount of money being exchanged. The rejection of a differentiated approach in exchanging the money was not only due to our government's policy in respect to the democratic classes, but also to the relations between the country's classes formed in the past. The need for such an approach was also due to economic considerations.

China is a country where agriculture occupies a pre-dominating share; the rural population is the most numerous. The money was concentrated mainly in the hands of the peasants who numbered about 500 million.

According to investigations of several regions during 1953-1954, the money was distributed among the different layers of population as follows (in percent):

	<u>1953</u>	<u>1954</u>
Peasants	58.0	65.4
Workers and employees	16.1	16.5
Private industry and trade	13.2	4.2
State establishments and enterprises	12.7	13.9
Total	100.0	100.0

This data from selective investigations of several regions is indicative of the over-all tendency in the distribution of money. The amount of money held by private industry and trade was small, and there was a tendency for it to decrease further. The share of private industry and trade in bank deposits was also small.

It is important that our state's economic structure at the time under consideration was characterized by the presence of a large number of private peasant farms and cottage industry workers, and also of capitalist enterprises, the production of which was regulated to a considerable degree by the action of the law of value. The development of private enterprises' activity, with restriction of their negative role, was extremely important for strengthening the market.

With such an economic structure and the peculiarities in the distribution of money related to it, the policy of exchanging old notes for new ones at a single rate without any limitation regardless of the class composition of the population and regardless of whether it was cash or bank deposits, was most correct. Any other approach to the exchange of money could have caused another redistribution of the social wealth, and dissatisfaction among the national bourgeoisie. In addition, the peasants, who held the greatest amount of money, would have incurred losses; this might have affected the strengthening of the union between workers and peasants unfavorably. The workers and employees would also have incurred losses, affecting their standard of living. There would also have been difficulties for the small producers. All this could have negatively affected the country's national economy as a whole.

Effect of the 1955 Monetary Reform on the Country's Economy

The 1955 monetary reform was warmly supported by all classes and all nationalities in the country. The universally recognized advantages of the new money are as follows:

1. The new money makes computation easier. The old notes were issued into circulation on 1 December 1948 when the liberation war was still going on in a large part of the country, and when the national economy was greatly disrupted and currency and prices were not stabilized due to the many years of inflation. As a result, the face value of the old notes was large but the value represented by each unit of money was very small. In making computations it was always necessary to take 10,000 as a unit. This was inconvenient, not only for economic work, but also for the vast layers of the population, especially for the peasants. In many of our enterprises, where billions of computations and book-keeping entries were made every day, it was necessary to have

a large number of workers to handle the computational and accounting work; this necessitated great expenditures.

The issuance of the new notes and the creation of a new scale of prices changed the situation. Before the reform there were no goods on the market worth 1 yuan in old money; the basic monetary unit was the 10,000 yuan note. After the issuance of the new money computation became more convenient, a great amount of time was saved, bookkeeping operations were simplified, and, consequently, considerable labor and financial resources were saved.

2. The new notes were easy to tell apart and convenient in circulation.

The old money had many forms, the sizes were not the same, and the coloring differed for notes of the very same value. The illiterate population (especially the peasants) found it very difficult to determine the value of the different types of notes.

In respect to the new money, the notes of different values have different designs, colors and sizes. A picture of T'ien-an-men Square on the note means that the note represents 1 yuan; a picture of Baogtashan' [transliterated from Russian] Mountain means 2 yuan, and a picture of Ching-kan-shan Mountain means 3 yuan. There is a drawing symbolizing the unity of the various nationalities on the 5 yuan note.

The improvement in the notes is in the direct interests of the vast masses of peasants. The new money is printed on good quality paper and is convenient to keep and use. The quality of the new money makes counterfeiting difficult.

3. The new money is suitable for use in the national minority regions, which has a favorable effect on the development of economic ties between the inner regions of the country and remote autonomous territories. During several years of the construction of our government commodity, turnover with the national minority regions grew sharply. However, the variety of the old money, the complexity of the drawings on it, and the absence of uniform standards and inscriptions in the national minority languages (except for part of the money in circulation in Sinkiang Province and Inner Mongolia) made it difficult for the brother peoples of China to use the old money. In addition, silver yuan were in circulation in many national minority regions during the first period after liberation. As a result of the development of economic ties over a number of years the population in these regions began to use the old notes, issued in 1948, eagerly.

The issuance of new money with inscriptions in Chinese, Uigur, Mongolian and Tibetan makes it very convenient for the country's different nationalities, and promotes the further development of economic ties among these nationalities and an even greater unity among all the peoples of our state.

The wide masses of the people interpreted the issuance of the new money as evidence of the further strengthening and normalization of our monetary system. The population began to deposit their savings in the bank with even greater enthusiasm. During 4 days (21-24 February) after the publication of the order on the issuance of new money, the volume of deposits in seven large cities increased by 10 million yuan; moreover, a large amount of the deposits was for a period of over a year. All this demonstrated that the monetary reform being implemented was fully in the interests of the people.

Peculiarities of the Country's Monetary System

A peculiarity of the 1955 monetary reform is the change in the scale of prices. The reform did not establish the gold content of the yuan exactly, but at the same time all the advantages of the jen min pi system, confirmed by use during the past years, were retained.

The main features of the monetary system of People's China are as follows:

The people's yuan is a symbol of value; in fact it has a gold content.

Since the yuan does not have a gold content determined by law, it is not clear to many what the basis for its value is and in what way the yuan can successfully fulfill all the functions of money.

It is necessary to make some explanations in this connection.

Our money, the people's yuan, as all other money, is a special type of commodity, having a value. The question is: what material substance serves in our state as a measure of value, what is the measure of prices, i.e., what is the size of the value incorporated in each yuan?

Up to March 1950 the value represented by each people's yuan was not stable; the amount of gold contained in the yuan steadily declined; i.e., the measure of prices changed continually.

After March 1950, as the result of achieving centralized management of financial and economic work and halting inflation, the amount of gold represented by each yuan was stabilized.

The name, "yuan", is an inheritance from the past. However, theyuan in jen min pi has quite other properties than the silver yuan circulating in old China and other yuan existing in the past.

The government of the People's Republic of China forbid the circulation of gold and silver and also the free exchange of yuan for gold. Gold and silver can be sold to the People's Bank of China or bought from it with a special order. Free trade in gold and silver is forbidden.

The yuan fulfill the following functions of money:

a. The function of a medium of exchange. At present, with the exception of Tibet where, for historical reasons, silver yuan and Tibetan bank notes are still temporarily in circulation, only the people's yuan are in circulation throughout the country;

b. The function of a medium of payments. The yuan is a medium of payment in the issuance of credits to trade, the payment of taxes, the purchase of state bonds, and in credit operations between the People's Bank, the Joint Bank and the enterprises. The only legal medium of payments in the sphere of domestic payments is the yuan. Any other media of payments are illegal.

c. The function of a medium for accumulation and saving. All accumulation by enterprises, establishments and organizations are computed and utilized in yuan. State enterprises and organizations and cooperatives retain their accumulations in accounts at the People's Bank of China and all operations through these accounts are conducted in yuan. The population's savings in the banks are also computed in yuan; they deposit yuan in the bank and obtain yuan from it. With the development of cooperation in the countryside, money operations developed considerably. The amount of money in the hands of the peasants grew substantially, and it became usual for the peasants to save masses of yuan.

In respect to the function of money as a measure of value, the yuan, representing a definite amount of gold, successfully fulfills this function also.

The yuan circulate on the basis of a socialist planned economy.

The issue of yuan is under the sole control of the state. The People's Bank of China is the only center of issue in the country. The state organizes, in a central manner, production, commodity turnover, and also the circulation of money, which is called upon to serve the country's whole economic life.

At the beginning of every year the government works out plans for production, commodity turnover, and the state budget, a credit plan and a plan for the issue of money. Thus, correspondence between the amount of money in circulation and the requirements of commodity turnover is achieved.

Only on the basis of a socialist planned economy, and under the conditions of the centralized organization of production, commodity turnover and the circulation of money is it possible to insure the stability of the value represented by the monetary unit.

The creation of a planned system of the circulation of money is not an isolated phenomenon; it is closely connected with the whole planning of the national economy.

The historical peculiarities inherent in our planned system of the circulation of money are as follows:

a. After halting inflation (March 1950) the issuance of money to cover the budget deficit was discontinued. From this time money began to be issued in conformity with the requirements of commodity production and turnover. Each year the amount of money in circulation increased during the market peak season, and during the slack season it decreased.

The normalization of the financial system and the establishment of principles for issuing and withdrawing money from circulation in conformity with the requirements of the production and circulation of goods are obligatory prerequisites in the planned regulation of the circulation of money.

b. During 7 years (1949-1956) the socialist sector of the economy was transformed into a definite force in the economic development of China. The basic economic law of socialism and the law of planned proportional development began to play a leading role in the country's national economy.

As the result of the conversion of private industry and trade along the lines of state capitalism and the implementation of planned state purchases and planned sales of products, state, joint and cooperative economic organizations took over the preponderant part of the basic commodity resources. The state establishes prices in a centralized planned manner, and goods enter the market in accordance with the state price policy. All this serves as the material base for a planned system of circulation of money and as a factor of exceptional importance.

c. The People's Bank of China became a powerful, single state bank. All private banks and banking houses (with the exception of three private banks connected with capital of Chinese emigrants) were consolidated in the single joint state-private bank, which, under the guidance of the People's Bank, serves production and commodity turnover.

The granting of long-term and short-term credits is gradually being concentrated in the People's Bank. The People's Bank is the center for granting short-term credits. In the state and cooperative sectors of the economy and in a number of state-private enterprises control over cash has already been realized and clearing settlements are being used. The commercial granting of credits is gradually being eliminated among socialist enterprises. The concentration of all credit activity in the People's Bank played an important role in all these changes. Such a reform of the banking system and the credit system serves as the organizational basis for the planned regulation of the circulation of money.

d. The planning of the circulation of money by the People's Bank is not isolated, but is an organic part of the whole system of single state planning. At the same time, it serves as a guarantee of the planning of production and commodity turnover.

The planned organization of the circulation of money is one of the permanent and important economic functions of the state. In planning the issue of money into circulation the state proceeds on the basis of budget expenditures, state and cooperative trade purchases, the granting of credits by the People's Bank, etc. In planning the withdrawal of money from circulation, it proceeds on the basis of budget revenues, the volume of commodity sales by the state and cooperative trade network, the reimbursement of bank credits, etc. The state takes prompt measures to balance the population's revenues and expenditures. All this work is implemented centrally, under conditions of single planning with participation by various departments under the guidance of the party and administrative organs.

People's China's new monetary system developed during the successful struggle by the socialist economy to overcome the semifeudal and semicolonial economy inherited from old China. It strengthened during the successful struggle against the capitalist sector and the small producers, with their speculative character, chaos and lack of planning.

The yuan is an instrument in the hands of the People's Government to implement socialist construction and socialist transformations, and instrument for planned settlements. The creation of our government's new monetary system expresses the important victory of the socialist economy.

The people's yuan is an independent currency which does not depend on the currency of any other country. The new monetary system has destroyed those phenomena which were inherent in the semicolonial China, such as the dependence on the English pound and the American dollar.

The people's yuan, new money issued by the People's Bank of China, is our country's sole legal money. This demonstrates the unity of the monetary system, never before achieved in China.

PURCHASING IS A PROBLEM

Nan-ch'ang, Kiangsi Jih-pao, 5 August 1959

[The following is a full translation of an article by the administrative office of Kiangsi commerce department. It presents some of the chaotic conditions and frantic endeavors in the State's drive for satisfactory purchasing of agricultural products.]

To cope with the needs of new conditions, to carry out the procurement of rural by-products, native, special, and waste products, and to promote production and facilitate marketing of products by the mass, the commercial department of Kiangsi is making massive efforts to strengthen its basic level rural purchasing forces.

During the great leap in 1958, several readjustments were made in rural commercial networks in Kiangsi. In that year, some 10,303 commercial networks and points were added, an increase of 1.75 times over the 1957 figure. In the meantime, itinerant selling and purchasing personnel were sent out to cover each hsiang and village to facilitate the buying and selling of goods and products by rural mass, thus expanding the circulation of commodities and promoting production.

After the establishment of basic level networks and points, coupled with other measures for procurement, there was marked progress in the business of purchasing. Not only the volume of purchases increased, but the variety of goods was also enlarged, thus greatly benefiting the selling of products by the mass.

In 1958, the volume of purchases in agricultural products and by-products handled by the Ching-lou state shop in Ch'ing-chiang Hsien showed an increase of 5.2 times over the 1957 volume. By popularizing commercial networks and by establishing commercial points deep in mountain areas, the I-ch'u state shop in Nan-feng hsien accomplished its 1958 procurement tasks with outstanding success. It increased its volume of purchases by more than doubling the 1957 amount; its purchases of waste products increased some five to nine times; and it purchased more than 17 kinds of new products.

In 1959, the province established some 300 procurement stations in the tea-producing areas to collect spring tea. By end of May, some 50,000 tan of tea were procured, an increase of 17% compared to the corresponding period for 1958.

These facts show that to strengthen rural purchasing mechanisms and forces forms an important measure in insuring the completion of procurement plans and in promoting production. This should deserve our serious attention.

Since communalization, the party has enacted the policy of simultaneous undertaking of sustenance production and commodity production by communes. This policy has effectively pushed the development of multiple undertakings and commodity production. In 1959, the purchasing task of our commercial department has been increased by 40% compared to 1958.

Considering the conditions of purchase and selling in rural areas, there seem to be certain weaknesses. The general practice is to supply, but not purchase, or purchase very little. In some areas, the procurement personnel is found to be very weak. In the Shang-tun-tu state shop in Lin-ch'uan Hsien, there are only one and half persons who handle the procurement task which involves 28 large production teams and a population of some 30,000.

In the meantime, the personnel of rural purchasing and marketing points are paid usually a fixed wage (most of them

being staff sent by joint or cooperative shops). This has considerably affected their initiative and positiveness, especially their positiveness in going to each family to make purchases.

With a view to coping with the new needs created by communal multiple undertakings and to ushering in the booming season for rural procurement, the provincial commercial department has adopted measures to strengthen the purchasing forces on the basic rural level. These measures are based on the notifications concerning rural financial and commercial control forwarded by the provincial party committee and provincial people's congress. It stipulates that the organizational pattern of rural procurement network should center around basic-level state shops, and in accordance with the production administrative areas of communes, it should be established on all levels rationally.

At the location of the state shop, a number of special or general purchasing departments should be set up to buy agricultural products and by-products. During the boom season, market fairs, or at commodities exchange meetings, temporary purchasing depots should be opened.

Under the commune, in accordance with the sub-areas decided by it, branches of state shops should be opened whose main business is to purchase, though they may also engage in selling. In each large production team, there should be set up a purchasing and selling point.

In a branch shop that has three cadres, two of them should be assigned as purchasing agents of agricultural products and by-products. Where there are two persons, one should be assigned for purchasing work. And even though there is only one person, he must also undertake to buy and sell. In the meantime, in a large team or in a natural village, the job of purchasing personnel can be taken up by a member concurrently acting as purchasing agent of agricultural products, native products, and waste materials.

In carrying out the tasks of purchasing and selling, the specific duties of purchasing departments, branches, and points have been stipulated. Pursuant to instructions of the provincial party committee, all commercial personnel who have been recruited to serve in other areas are recalled to their original stations. A batch of capable personnel has been transferred from supply departments and productive units to augment the purchasing and selling forces. Some of the more progressive and promising peddlers have been trained to act as purchasers. For merchants and peddlers, the system of wage, plus bonus, is enforced. Two kinds of bonuses are provided: one is reward by comparisons, and the other is percentage from procurement fees.

At present, this work is being undertaken actively in various localities. After the readjustment in commercial

network, the purchasing force in rural villages will be strengthened immensely, and it will be possible to facilitate the marketing of products by the masses, thus forging a closer link between production and marketing, and creating favorable conditions for the fulfillment of state purchasing plans.

SOVIET UNION SUPPLIES LARGE GENERATORS FOR CHINA
Ashkhabad, Turkmeneskaya Iskra, 10 March 1960

The Sverdlovsk Plant "Urakalektroapparat" has begun manufacturing 150,000-kilowatt hydraulic generators for China's largest electric power station, the San-men-hsia Station on the Yellow River. This is the first time that machines of such proportions have been built.

EDUCATION

MINISTRY OF EDUCATION'S REGULATION ON 1960 ADMISSIONS
TO INSTITUTES OF HIGHER LEARNING
Peiping, Kuang-ming Jih-pao, 4 June 1960

The admission to institutes of higher learning in 1960 will be 280,000 new students, an increase of 30,000 persons over last years' admission plan. The increased number of students are mainly for the engineering, agriculture, and physics departments. In carrying out the admission work to institutes of higher learning for 1960, various localities must, under the leadership of the CCP committees at all levels, continue to consistently uphold the class line. The guiding principle of qualifying new students is: to make the selection of admission according to quality taking into consideration the scholastic standing and health requirements of the applicants with the logical premise of insuring political quality.

The following are provisions formulated in keeping with the above principle for the admission of students to institutes of higher learning this summer:

1. Section 1 is concerned with the organization for admissions. Section 1 is omitted here. The remainder of the text is presented in full.

2. Besides admitting senior middle school graduates and applicants from other fields, institutes of higher learning should also admit a number of on-duty workers, employees, cadres, and commune members from factories, mines, farms, government offices, and the people's communes under the same political and health

criteria provided in these provisions; these students, however, must have passed the test given by the schools which accepted them (so that they shall be able to catch up with the class after admission).

3. All CCP citizens who are senior middle school graduates or equivalent and are under 30 years of age and meet one of the following requirements may apply for admission by examination to institutes of higher learning (various localities may adequately relax the age restriction for workers, peasants, demobilized and transferred military personnel, and on-duty cadres):

a. Senior middle school graduates of this year who possesses a letter of recommendation from their schools to apply for examination;

b. Graduates of specialized secondary schools of this year who received permission to advance their studies from concerned departments in charge or from local educational administrations and are in possession of a letter of recommendation from their schools to apply for examination;

c. On duty personnel of party and government organs, business units and enterprises, and people's organizations who received permission from their employing units and who possess a letter of recommendation from their employing units to apply for examination;

d. Transferred military personnel, demobilized military personnel, and discharged military personnel who possess pertinent certifying documents from the civil affairs departments of the people's councils of their native counties or above (districts in the case of large and medium cities) or from troop units above the regimental level.

e. Overseas Chinese students from Hong Kong and Macao who possess certifying documents issued by Overseas Chinese affairs organs in the country or by "the committee to guide senior middle school graduates who returned to Canton from Hong Kong and Macao to advanced studies;"

f. Other intellectual youth who are in possession of certifying documents from the people's communes or from the people's councils at chu level or above.

4. Schools participating in the admission work carried out in a national and centralized manner shall hold examinations in three categories according to the particular nature of specialization, the subjects for examination are as follows:

Category a. Vernacular, political science, mathematics, physics, chemistry, and foreign language for applicants who are to study special courses relating to physics and engineering (including geography in teacher's institutes and schools and natural geography in consolidated universities),

such special courses in agricultural and forestry institutes as mechanization in agricultural production, meteorology for agriculture, planning on the use of land, agrophysics, agrochemistry, electrification in agriculture, the designing and manufacturing of farming machinery, irrigation for farming, food processing, animal products processing, timber felling and transport, road construction in forest zones, timber transport by waterways, mechanized processing of timber, chemical processing of forest products, manufacturing of forest machinery, manufacturing of machinery for timber processing, manufacturing of machinery for timber felling and transport, industrial fishing, fishing machinery and equipment, and aquatic products processing; and such pharmaceutical courses in medical institutes and schools as biophysics and biochemistry.

Category b. Vernacular, political science, physics, chemistry, and foreign language for applicants who are to study special courses relating to medicine, agriculture, and forestry, as well as biology (excluding those already listed in Category a), and special courses relating to physical culture and psychology.

Category c. Vernacular, political science, history, and foreign language for applicants who are to study literature, history, political science and law, public finance and economics, and arts as well as economic geography in consolidated universities. Applicants who are to study public finance and economics, economic geography, philosophy and other such special courses shall also be given a mathematics test (cadres engaged in finance and economic work who apply to be admitted to study public finance and economic courses may request exemption); additional subjects for examination for applicants who are to study arts, physical culture, and other special courses for which all special requirements shall be decided by concerned departments and schools. Foreign languages shall include Russian and English, to be selected optionally by the applicants at the time of the examination. Those who do not know any foreign language may apply for exemption. Applicants who are to study foreign languages may not apply for exemption. The subjects for examination of those schools which do not participate in the admission work to be carried out in a national and centralized manner shall be decided by provinces, municipalities, and autonomous regions concerned in reference to the above stipulations.

5. Entrance examination of schools which participate in the admission work to be carried out in a national and centralized manner shall be held from 20 to 22 July. The date for entrance examination of other schools shall be decided by provinces, municipalities, and autonomous regions concerned.

6. The Ministry of Education shall formulate an allocation plan with regard to the number of students to be admitted into institutes of higher learning subordinate to various departments of the central government applicable to various provinces, municipalities, and autonomous regions; names of institutes of higher learning open for admission in various provinces, municipalities, and autonomous regions, and the titles of special courses opened shall be announced by the provinces, municipalities, and autonomous regions concerned.

7. Examination precincts and places where examinations are to be held for admission into the institutes of higher learning of various categories shall be decided and announced in the provinces, municipalities, and autonomous regions concerned.

8. Institutes of higher learning shall give precedence in admission to applicants who are workers, peasants, worker and peasant cadres, demobilized and transferred military personnel, on-duty cadres who have a long history in revolutionary work, national minorities, sons and daughters of revolutionary martyrs, Overseas Chinese students, and students from Hong Kong and Macao.

9. All expenses incurred in application for admission into institutes of higher learning by examination shall, in principle, be defrayed by the applicants themselves. Travelling expenses for on-duty personnel, transferred military personnel, and graduates of specialized secondary schools of this year to proceed to the admitting schools shall be borne by their employing units (schools, in the case of specialized secondary school graduates); in all other cases, new students shall, in principle, defray travelling expenses. Individuals who because of the distance of the journey or family financial difficulties are unable to raise funds to cover the journey may apply for subsidies to the educational administrations in various provinces, municipalities, and autonomous regions, or to the admission organs concerned.

10. Institutes of higher learning should immediately conduct a political and health recheck on new students after admission. Those who fail to pass the requirements shall be disqualified for admission. Nevertheless, new students who fail to pass the health requirements during the recheck may be permitted to retain their admission quota for a period not to exceed one year if the medical units concerned with diagnosing the individual cases consider them curable after a short period of recuperation and medical treatment, thus enabling them to meet the health requirements set forth by the institutes of higher learning for the admission of new students.

11. Admission organs and schools administering the admission work jointly ahead of schedule in various provinces, municipalities, and autonomous regions should draw up and

promulgate brief regulations governing admission on the basis of these provisions, taking into consideration prevailing conditions in the provinces, municipalities, and autonomous regions and in the schools concerned.

PEASANTS STUDY THEORY

Tientsin, Hopeh Jih-pao, 9 January 1960

Ever since the universal establishment of red and expert schools in the rural areas of Chu-lu Hsien, Hopeh, in May 1959, the study of theory was developed among the broad masses of peasants, and this has been persistently maintained to this date. In 694 ts'un in the whole hsien, more than 65,000 cadres and people's commune members have participated in this study movement. Generally they have gone through the "Course of Study of Philosophy for Peasants," and "General Knowledge on Philosophy." Some have even studied much of Chairman Mao's works as "On Practice," "On Contradiction," and "On the Handling of Contradictions Among the People."

Through this study, the broad masses of party members, cadres and commune members in the rural areas raised their political and theoretical levels, and they have raised higher the standard of the Thought of Mao Tse-tung to push forward the continual leap forward in production.

Through the study of theory, the broad masses of cadres came to understand that to do their job properly they must start from realities, and pursue properly the mass line. Through the study of theory, many peasants thoroughly broke down their superstition and gradually established the materialist world outlook.

In the course of study, certain teaching methods were created in different areas. For example, the teachers and students prepared lessons together; in slack periods, study was carried out at home, and in busy periods, study took place in the fields. Teaching quality continually improved, and the studies were basically made regular.

AGRICULTURAL MIDDLE SCHOOLS: HALF-DAY, HALF-WORK, HALF-STUDY
Peiping, Jen-min Jih-pao, 16 March 1960

From the editorial: "Establish More and Better
Agricultural Middle Schools."

After two years of painstaking struggle, the foundation of agricultural middle schools has been greatly consolidated in the rural areas of our country. The achievements scored by the agricultural middle schools are of long-range significance. However, this significance of agricultural middle schools is not fully understood by everyone in our country. Some persons said that the agricultural middle school does not look like a school because its half-day educational system of half-work and half-study is different from that of the regular school and the spare-time school. It must be pointed out that the misunderstanding of the importance of agricultural middle schools is actually the erroneous ideology of walking on only one leg instead of two.

Some others also held the viewpoint that the agricultural middle school is only useful for the time being, and that it will no longer be needed when the educational cause is fully developed in our country. This is also a nearsighted view. Following the speedy development of our country's economic, cultural, and educational cause, the agricultural middle schools will also be gradually consolidated and improved. Because of this, the future of agricultural middle schools is boundless. Furthermore, the agricultural middle schools will undoubtedly play an even greater role in carrying out the cultural revolution and technical revolution in the rural areas of our country.

Large numbers of students will be graduated from the primary schools this year. A certain portion of them will enroll in regular middle schools. The agricultural middle schools also will absorb a certain number of primary school graduates. It is precisely because the masses look upon the agricultural middle schools as their own schools that the party committees attached to people's communes must do their best to establish a close relation between the masses and the schools, so that the agricultural middle schools can properly serve the masses in rural areas.

In the course of developing agricultural middle schools, the party committees attached to people's communes must give reports on political affairs to the students according to a fixed schedule, and, meanwhile, all teachers and students must study the ideology of Mao Tse-tung. Under the leadership of the party we hope that the regular middle schools, institutes of higher learning, departments of scientific techniques, production

units, the Young Communist League of China, the National Women's Federation of China, and other people's organizations throughout the country will immediately put out efforts to further develop the agricultural middle schools in our country's rural areas so as to satisfy the needs of our country's speedy development of agricultural production.

INSTITUTIONS OF HIGHER EDUCATION IN SHANGHAI CARRY OUT PEDAGOGIC REVOLUTION

Peiping, Jen-min Jih-pao, 17 April 1960

Actuated by the technical innovation and technological revolution campaign on the industrial and agricultural fronts, the different institutions of higher education in Shanghai are in the course of unfolding rapidly a mass campaign which gives central emphasis to the intensification of the pedagogic revolution and the carrying out of scientific research on a large scale.

The Mathematics Department of the Fu-tan University disclosed that its fundamental curriculums were made up of many antiquated and backward things in the past. The Mechanics Seminar of the T'ung-chi University also reviewed the shortcomings found in the teaching of mechanics in the past. Directing themselves against these problems found in the pedagogic contents, the different schools drew up 236 pedagogical reform plans for the special courses.

According to the statistics of the Fu-tan University, the Shanghai Institute of Aquatic Products, and the Shanghai First Medical College alone, 121 first drafts of new teaching materials were compiled recently. The Mathematics Department of Fu-tan University compiled in three days first drafts of teaching materials for 11 courses.

The teachers and students of the department of arts of the institutes of literature and arts firmly demanded that the department of arts be run in the same way as party schools were run. They discussed and formulated the reform plans for the department of arts with enthusiasm.

The East China Normal University, working together with the Shanghai Municipal Curricular Reform Committee for Secondary and Primary Schools, formulated more than ten curricular reform plans including language, mathematics, physics, and chemistry for the secondary schools.

With the different schools rapidly unfolding the mass campaign to intensify revolution in education, there is another thing which is noteworthy. This is the new eagerness with which the teachers and students take up scientific research on a large scale. According to the incomplete statistics of some schools,

during the last three months, 2,110 scientific research projects were completed. This was very close to the total number of projects scheduled to be completed during the first half of this year.

At the time pedagogic revolution and scientific research were carried out on a large scale in the different schools, the teachers and students actively participated in the technical innovation and technological revolution campaign on the industrial and agricultural fronts. According to the incomplete statistics of 24 institutions of higher education, 24,045 teachers and students participated directly in the industrial and agricultural technological revolution carried out inside and outside the schools. Within a very short time, they put forward 30,880 technical innovation suggestions, 6,830 of which had been adopted.

At present, everywhere in the institutions of higher education in Shanghai, the teachers and students can be seen exerting themselves in the direction of unfolding with thoroughness the struggle between the two ideologies and the two world outlooks in the domain of teaching and scientific research, overthrowing the bourgeois thinking, and firmly planting the red flag of Mao Tse-tung's thinking. In the institutions of higher education in Shanghai, because of the domination of the Mao Tse-tung thinking, all kinds of work are able to follow the correct direction and guiding thought, and to leap forward continuously and victoriously in the campaign to intensify the educational revolution.

EXPANSION OF THE SPARE-TIME EDUCATION MOVEMENT Peiping, Chung-kuo Ch'ing-nien Pao, 5 March 1960

From the editorial: "Extend the Work of the Young Communist League to the Spare-Time Universities."

A wave of enthusiasm is sweeping across the country. The factories and mines in all areas are carrying out work on a big scale for opening workers' spare-time universities. The opening of these universities, which is intended to speed up the training of a technological force for our modern industry, has been a new feature of the workers' spare-time education movement in our country since the beginning of this year.

According to figures supplied by 29 big modern factories and mines in Peiping municipality alone, 11 spare-time universities were opened during the past month, and the number of students studying in spare-time universities is now twice as large as it was at the end of last year. In the Tientsin municipality, too, the number of spare-time universities has been increased from 20 to 42, and as many as 11,000 students are now studying in them.

Recently, the CCP Central Committee and the State Council have further decided to establish a spare-time education committee for the express purpose of guiding spare-time education work. Besides, while it has been decided that the existing illiteracy should be wiped out, the opening of large numbers of spare-time universities and secondary technical schools has been made an important program. Things will happen in exactly the same way as is pointed out in the "Notification on Establishment of Spare-Time Education Committee" of the CCP Central Committee and the State Council when it states, "Several hundred million young and grown-up laboring people (including cadres) will, through spare-time education, gradually raise their political, technological, and cultural levels. There is a great need for the development of spare-time higher education and secondary technical education and this need will continue to exist for a long time even after the universalization of secondary education, when it will be organized on a bigger scale still." Never before in the history of our country has there appeared such a situation as that which has appeared today when thousands and tens of thousands of workers are receiving university education. And it is precisely under the affectionate care of the party that such a situation has now been rapidly formed.

Opening large numbers of spare-time universities is also a good method for training teachers needed in the universalization of spare-time secondary education. Following the rapid rise of their cultural level, we must universalize not only primary education but also secondary education among the workers at large. The need to popularize secondary education on the one hand and the shortage of teachers for this purpose on the other will constitute an unavoidable acute contradiction. All the 10 to 20 million workers will be going to middle school in the future. Where will their teachers come from? The full-time schools alone will not have enough time to train all the necessary teachers, and so the best method is to let the spare-time universities train them.

Young Communist League organizations have an important share of the responsibility for opening large numbers of workers' spare-time universities. The League organizations at all the various levels must fully take stock of the situation, make up their mind to support and promote new things, help the party actively and on their own initiative, and make a good job of the opening of workers' spare-time universities with regard to the concrete conditions present. The League organizations should educate and encourage the young workers at large to go to a university if they are qualified to do so. As for those who cannot go to a university yet, they should be urged to raise their cultural level quickly and create conditions actively for going to a university.

SOPHOMORES CRITICIZE OUT-OF-DATE TEXTBOOKS
Shanghai, Chieh-fang Jih-pao, 23 April 1960

Sophomores of the Fu-tan University in Shanghai have exposed various contradictions in the textbooks. They said, "Contents of the physics textbooks are out of date, lacking information on atomic energy, electronics, supersonics, and semiconductors." "The content of lessons, experiments, and courses contain theories which are divorced from actuality, and the steps in many lessons cannot be applied to actual production"; and "because of the minimal criticism of idealism, the students are ignorant of the conflict of the two world views on natural sciences."

In regard to all these contradictions, the sophomores demanded that a thorough revolution be carried out. At the same time, they themselves voluntarily organized small groups for the reformation of courses, and presented a draft for the rearrangement of the subjects in chemistry.

After reading references of four foreign languages and dozens of articles, they wrote and edited teaching materials of more than 70,000 Chinese characters on physical chemistry and crystallography, the two most difficult subjects for the students, and on machinery; and a thesis on "the philosophy and ideas of Mao Tse-tung with regard to natural sciences."

ADVANCED SCIENCE DEPARTMENTS ESTABLISHED IN TIENTSIN UNIVERSITY
Peiping, Kuang-ming Jih-pao, 19 April 1960

As part of China's rapid scientific and technical developments and to prepare students for rapid and better assault on advanced sciences, Tientsin University recently established a mathematics-physics department and a radio-engineering department.

Two months were required to establish the departments. This involved the transfer of college students from other departments to the four specialized branches (chuan yeh) and 11 specialized courses (chuan yeh hua) offered by the radio engineering department, and the two specialized branches offered by the mathematics-physics department. Part of the laboratory of the radio-engineering department has been completed. The reason for the transfer of students of relatively higher classes to these departments is because such students can grasp the modern scientific techniques readily and, consequently, they will be available to serve the state sooner.

FULLY INDOCTRINATE CHILDREN IN COMMUNISM

Peiping, Jen-min Jih-pao, 1 June 1960

Children are the communists' successors. Their growth is of great concern to the party and the state. Chairman Mao instructed children "to study hard, improve themselves every passing day, and be united to be the masters of New China."

For the further development of the care and education to children, the principle of putting social education as the main program and combining social education together with family education should be followed positively step by step. Efforts should also be made to propagate the superiority of the collective care and education of children, further develop and improve nurseries and kindergartens, and step up the development of the social organizations for giving education to children outside schools.

To cope with the new situation concerning social construction and to train socialist and communist successors, the party has asked that children's care and education be better fulfilled, so that they will be turned into a new generation with communist consciousness and with communist working style, and daring to think, speak, and act. At present, the communist moral character of our country's children has been greatly raised. Measures should be taken to step up their communist education. They should be educated to love the party, party leadership, the fatherland, socialism, people's communes, the people, labor, science, and public property. In addition, efforts should be continuously made to rid them of the views and methods of bourgeois children's education, which separates them from the proletariat politics, production and reality.

AN EXAMPLE OF A RED CADRES SCHOOL

Nan-ch'ang, Kiangsi Jih-pao, 21 November 1959

The Red Cadres School (Hung-chuan Hsueh-hsiao) of the Tseng-tien commune in Lo-an Hsien has found new methods for the after-work studying of rural cadres and opened up new avenues for them to perform their tasks efficiently and economically.

The purpose of this school is to train basic cadres on the small production team level of the commune. Due regard is also paid to certain cadres of large production teams and active members of the commune. During its first term lasting three months, 34 basic cadres have been trained. There are now 51 basic cadres under training, their term of study being one year.

This school was launched in the winter of 1958, with a view to coping with the phenomenal progress of people's communes and socialist reconstruction enterprises, as well as to ushering in

the new tasks of cultural and technological revolution. The school has been given 160 mou of land by the commune. It is a self-sustaining unit as well as an after-work teaching unit. During the period of study, the basic cadres leave their work posts temporarily. They live and eat at the school collectively, and collectively they study and labor for production. Income is distributed among themselves. Thus, theory is coordinated with practice, and both study and production are performed simultaneously.

In this school, students attend to their production tasks during day time, and study in the early morning and in the evening. When the farm chores are heavy they study less, and when they have more leisure, they study more, averaging, however, some four to six hours daily of study time. Thus, the policy of the school has been to stress production as the principal task, study being pursued after work.

In pedagogy, emphasis has been laid on politics, though the three facets of politics, culture, and production technology are geared together.

In study methods, a diversified and lively pattern is adopted, such as mutual teaching and mutual studying, mutual questioning and answer, demonstration with real objects, strengthening of guidance, and field practices, all of which have been carried out with good results.

The coordination of political, cultural, and technological classes have been especially satisfactory. Before the politics class, students are asked to read the lecture text, and after class, they write exercises with questions and answers. In their cultural class, the students, whether in learning new words or in explaining compositions, are asked to link their study with the current political struggle and political tasks, as well as social life. Articles which have political significance and reflect the communist style and personalities are used as subsidiary texts.

In their class on production technology, the students do what they learn and do it immediately. They do as they study, and they study as they do, and whenever necessary, they take their classes in the field. They also undertake to research and to invent.

After this study, there has been salient advancement in the political awareness, cultural level, and technical knowledge of the basic cadres.

Students are taught the general line of socialist reconstruction in their politics class, such as "Concerning the correct handling of the internal contradictions among the people," "On Pragmatism," "Resolutions on certain questions concerning people's communes," and resolutions of the party adopted at the eighth plenum of the central committee of the Eighth Party Congress.

In their study, they have closely linked it to practice and to ideology by launching the great contending, great blooming, and great debating, and by distinguishing important right and wrong, thus further steeling their proletarian stand and their resolve to follow the socialist line.

During this term alone, 18 students have joined the party as members; another 10 became active elements who excel in ideology, study, and labor. Ten students joined the communist youth corps, and 13 cadres of small teams have been promoted to be large team cadres. These developments are bound to have salutary effects in further implementing the general line and the leap forward, as well as in consummating the people's communes.

According to statistics for the 85 students trained during the last two terms, before they enrolled, 53 were illiterate or semi-illiterate; 28 had primary standard, four had high primary standard. At present, there is no illiterate; 50 of them have attained the level of primary school; 34 reached high primary school level; and one reached the standard of junior middle school. After eliminating their illiteracy, many have learned to write short compositions or compose folk songs.

After studying the eight-character constitution of agriculture, the production technology and theoretical knowledge of the students have been increased.

Owing to high production, the income of students has also increased. After paying for the mess, school expense, public accumulation funds, and production funds, the average income of a student for the whole year reached 139.91 yuan, which is 70% more than the income of an ordinary commune member.

The school has also effectively pushed the production of the commune. In the past, some of the members and cadres had thought it impossible to garner bumper production of 1,000 chin with so few laborers and such poor land. Now, they have seen with their own eyes that this is done by the Red Cadres School. So, this has shattered their rightist conservative ideology, thus giving them confidence for the further great leap forward in 1960.

Students of the Red Cadres School have also invented many gadgets and methods, such as smoking the grass to increase fertility of land, stripe-shape close planting, cotton sowing machine, implement to smooth up the field for planting, punch machine for planting of beans, rope-making machine, wooden plow and hoe, etc. These new implements and advanced technology have received the welcome of the masses who commented: "The experiences of the Red Cadres School are wonderful: we can see, learn, and do."

The Lo-an Hsien committee of the party has recently convened a meeting of the responsible party committee members of all communes at the Red Cadres School of the Tseng-tien commune. The purpose of the meeting is to propagate the experience of this school in the communes of the entire hsien so that the flower of after-work school in rural areas will bloom everywhere.

COMMUNICATIONS AND CULTURE

AIMS AND GOALS OF THE CULTURAL REVOLUTION
Peiping, Jen-min Jih-pao, 1 June 1960

From the editorial: "Greeting the New and Greater
High Tide of Cultural Revolution."

The national conference of outstanding groups and workers building socialism in education, culture, health, sports, and journalism opens in Peiping today. This marks a high tide in the cultural revolution of our country. The more than 6,000 delegates attending this grand meeting of the elite came from all over the fatherland as representatives of many outstanding groups and workers, representing over 7 million professional and over 30 million amateur cultural and educational workers.

This conference will review the brilliant achievements gained in the past on the cultural and educational front, publicize the outstanding ones, strengthen solidarity, and raise higher the revolutionary enthusiasm for work so as to push the cultural revolution of our country to a new upsurge.

Since the liberation, under the leadership of the Chinese Communist Party the Chinese people have resolutely wiped out the influence of feudalism, bureaucrat-capitalism, and imperialism -- especially US imperialism -- in the fields of culture and education.

As the socialist revolution and socialist construction have gone forward, socialist cultural and educational work has made correspondingly great strides. In particular, it entered a new stage in 1958 when the CCP Central Committee drew up the general line for going all out, pressing forward, and striving for greater, faster, better, and more economical achievements in the socialist construction; and the Central Committee and Comrade Mao Tse-tung put forward the great tasks of the cultural revolution and the policy that "education should serve the aims of proletarian politics and education should be combined with productive labor."

To date, illiteracy has been wiped out among over 100 million people and more than 80% of the school-age children are attending school. Some 12.9 million students are attending full-time secondary schools and secondary technical schools. The total enrollment at the full-time universities and colleges is 810,000.

Agricultural middle schools and spare-time schools are springing up all over the country, and developing rapidly. The schools are extensively combining education with productive labor, and are eliminating the influence of bourgeois education in which

theory is divorced from practice, and ushering in the new atmosphere of integrating study with application of knowledge. This has paved a broad way for the training of intellectuals of the working class.

While the achievements already obtained in the cultural revolution of our country are enormous, nevertheless, now is only the beginning of the cultural revolution in our country.

The immediate aim now is to wipe out illiteracy among workers and peasants up to and including middle age and to spread primary school education to all school-age children by 1962, to spread junior middle school education universally by the end of the third Five-Year Plan -- 1963-1967. At the same time, great efforts will be made to extend senior middle schools, middle technical schools, and higher education, as well as spare-time education of various types at various levels, and pre-school education.

We must continue consciously the class struggle in the ideological sphere to the end. This is the fundamental core of the cultural revolution.

We should be aware of the long-term nature of the struggle. As Comrade Mao Tse-tung pointed out, "The ideological struggle between socialism and capitalism, and its issue, will remain for a rather long period before any decision. This is because the influence of the bourgeoisie and the intellectuals who came from the old society will remain in our country as a class ideology for a long period." Meanwhile, the US imperialists, as well as the modern revisionists serving the interest of the US imperialism, are now stepping up their conspiratorial tricks to corrupt the people in the socialist countries by their bourgeois ideals. Such a conspiracy of imperialism, to be sure, is doomed to failure. We should, nevertheless, raise vigilance, and pay serious attention to continuing the struggle against bourgeois ideas within the country, against the influence of imperialist ideas, and against modern revisionist ideas in all ideological spheres until complete victory of this struggle.

"PROBLEMS OF PEACE AND SOCIALISM" DIRECTORS HOLD MEETING
Peiping, Jen-min Jih-pao, 24 April 1960

The board of directors of the magazine Problems of Peace and Socialism met in Prague from 13 to 16 April and issued a communique. Taking part in the meeting were representatives from 36 Communist and workers' parties. The directors heard reports on the work of the editorial committee and discussed the tasks of the magazine as well as matters related to the improvement of the work of the magazine.

The board of directors unanimously agreed that the Marxist-Leninist ideology must be followed by the magazine and that the thinking behind the Moscow Conference and Peace Conference statements must be passed on to the Communist parties and workers' parties of the various countries; that the unity and solidarity of thought of the international communist movement must be strengthened; that there must be further investigation and announcement of theoretical problems of Marxism-Leninism; that there must be further improvement in the functions of the struggle against revisionism and sectarianism and in the exchange of opinions and experiences among the Communist and workers' parties.

One of the most important tasks facing the magazine in the future is the struggle for the preservation of peace. Others are the unifying of the masses against the policy of war preparation of the imperialist aggressive bloc and the widespread announcing of the socialist and Communist accomplishments of the world socialist and communist countries.

The extremely important duties of the magazine are the promotion of the unification of the organized activities of the working classes in the capitalist countries to protect the interests of the laboring peoples and to strive for solidarity in the struggles against the reactionaries and for democracy and social progress, the systematic exposure of anti-Communism, the waging of a struggle against capitalist theories and forms of reformism, and the opposing of the main danger of revisionism and of dogmatism and sectarianism. The magazine will systematically expound the problems of the liberation of peoples.

Discussions of the work of Peace and Problems of Socialism were carried on in an atmosphere of unanimity, such as was achieved for all problems discussed.

PURPOSE OF CHINESE COMMUNIST PARTY PUBLICATIONS Peiping, Ta Kung Pao, 2 December 1959

The party's publications are the effective tool for organizing and educating the popular masses. They are the most effective weapon to be used by cadres and the masses in studying the party's directives and to exchange advanced experiences, as well as to be used when they are to study current political policies, cultural subjects, and theory. They are the indispensable spiritual food in the life of the people. To get the party's publications into the hands of readers quickly and to enable even more of the cadres and masses to read these publications is a completely important and glorious political task of the postal and telegraph departments.

At present, following the continued leap forward attained in industrial and agricultural production, the demands of the broad masses to read publications are becoming more and more urgent and more readers are concerning themselves not only with domestic affairs, but also require that publications explain in detail party policy in good time, explain the features of socialist construction and the day-to-day production achievements, new creations, and new experiences, so that in the socialist emulation movement there will be an uninterrupted sequence of brand new achievements. Therefore, there is an urgent demand for a continuous and uninterrupted leap forward in issuance of publications, for a truly good job in investigation, research, and dissemination, for good work in editing and interpretation, for a continuous raising of quality, and for an appropriate expansion of quantity in order positively to satisfy the requirements of the masses and do an even better job in serving the needs of the great leap forward in the national economy. Concerning the drop in quantity at the first of each month and each quarter and concerning the fact that quality in certain areas is poor, we can see that the needs of the readers are still not satisfied in a very good manner. This should be solved quickly.

The great leap forward in the national economy has entirely beneficial effect on the development of publications work. Party committees at various levels give special attention to and support publications work, and the propaganda sections of many party committees consider publications work to be an important and integral part of the over-all propaganda work plan. Under the influence of the great leap forward, various publications also continued to retain their full contents, improved their publishing format, and uninterruptedly raised their quality. In recent years, particularly since the great leap forward, publications-issuance workers accumulated many advanced experiences. Especially, having one thorough anti-rightist study and strive-to-the-utmost education, personnel in postal and telegraph enterprises have acquired a new spirit and determination; they are striving to the utmost and are reforming their work in every way. The various postal and telegraph departments must become adept at grasping and using these helpful principles, must fully develop the positiveness and creativeness of the personnel, and further comprehend the party Central Committee's directive on publication of publications and books. Under the leadership of party committees at various levels, to raise the quality of publications and to further improve publications-issuance work is entirely possible.

The foremost and most crucial task now confronting publications-issuance workers is to do a really good job in rural areas and do an even better job of serving the cause of the great leap forward in agriculture. There inevitably will be an appropriate increase in publications requirements in line with the continuous leap forward in agricultural production and in technical reform in agriculture, as well as in line with the gradual attainment of mechanization,

water conservancy-ization, electrification, and fertilizer-ization in the countryside. The great expansion of economy and culture in the countryside will also demand publications work. Publications-issuance work must be done in a positive manner so that these requirements will be met. Various levels in postal and telegraph departments should strengthen indoctrination of personnel in the matter of knowing the political meaning of doing a good job of publications-issuance in the countryside; they should plant the ideology of supporting agriculture and serving the cause of an even greater expansion of agricultural production and, by relying on party committees in the communes as well as by relying on the masses, they should strive to strengthen research work, learn and grasp the economic and cultural condition prevailing in the communes and among the masses, and do a good job in dissemination and editing work in line with different requirements in publications activity. Because there is considerable scattering, diversity, and poor communications in rural areas and because transport equipment is sparse, in order to do a good job in dissemination, editing, and propaganda work, we should grasp the principle of integrating state forces and forces of the masses, and, under the leadership of party committees at various levels, solve the problems in a regularized and suitable manner. Postal and telegraph departments must help the communes and production brigades to establish and strengthen publications-issuance network in the countryside. These forces must then be adjusted to parallel commune cultural and propaganda activity in the business of publications-reading, so that each publication will be able to play its full role.

MOTION PICTURE INDUSTRY ACHIEVEMENTS

Peiping, Jen-min Jih-pao, 28 April 1960

In 1958 and 1959, China produced 2,236 documentary films, equal to the total number of documentary films produced from 1951-1957. The provincial, municipal, and autonomous region film production studios produced 70 percent of the documentary films. According to incomplete statistics the film, "Under the Brilliant Illumination of the General Line," was seen by over 80 million persons; the film, "Quelling the Tibetan Revolt," was seen by over 60 million persons; and the film, "Heaven Will Be Conquered by Man," was seen by over 30 million persons; and the film, "Symphony of the Shanghai Heroes," in only a short time has already been seen by over 700,000 persons.

In 1958, 155 films were exported; 16 of them were lengthy films and 139 were short documentary films.

China now has 14,565 film projection teams (not including projection teams in the army); 87% of these teams have been dispatched to factories, mines, and rural areas. Because of the greater supply of films, the workers, peasants, soldiers, and minority nationalities everywhere all have a chance to see movies. In 1958 and 1959, the attendance was 7.1 billion, exceeding the total attendance of the previous 8 years by 6.82 billion. In 1959 alone, the total attendance was 4.14 billion.

In the past few years, the Shanghai Scientific Educational Film Production Studio shot over 310 scientific and educational films, 77 scientific and technical, miscellaneous (Cha chi) films, and translated over 300 scientific and educational films of the USSR and the people's democratic nations. The percentage of subject matters on industry and agriculture also has risen from 60% to 85%.

HUPEH WIRED-RADIO BROADCAST DEVELOPMENT

Hankow, Hupeh Jih-pao, 21 October 1959

During the past 10 years, under the correct leadership of the party and the provincial party committee, wired-radio broadcasts in the rural areas of Hupeh Province through following the policy of "to serve the central task of politics, production, and the party, showed a tremendous development.

During the early liberation period by following the "Program Concerning the Establishment of a Broadcast Receiving Network in the Rural Areas" Hupeh set up in its hsien more than 70 broadcast receiving stations; subsequently more than 600 such stations were established in the various ch'u and hsiang throughout the province. Especially in 1958 during the great leap forward campaign and the communalization movement, commune broadcasting units were rapidly developed. To date, a total of 210 commune broadcasting units has already been established in the various communes in the province, representing about 30% of all communes in the entire area. There are now more than 120,000 speakers installed in Hupeh. Broadcast speakers are now available in 96% of all communes, in 90% of all production brigades, and in 40% of all small production teams. Broadcasting programs have now been extended into some dining halls, clubs, plants, schools, and iron and steel sites. Of the hsien and shih in Hupeh, 60 have fulfilled the tasks for establishing a rural broadcast network as specified in the "Program of Agricultural Development" 9 years ahead of schedule.

USE OF PIN-YIN IN TELEGRAMS

Peiping, Wen-tzu Kai-ke, 30 December 1959

[The following is from an article by the Shanghai Post and Telecommunications bureau entitled, "How to Use Pin-yin Telegrams."]

As of 1 October 1958 all post and telecommunications bureaus throughout China began trial usage of Pin-yin (romanized alphabet) in telegraphic operations. All municipal and hsien post and telecommunications bureaus can now send and receive in this manner.

Utilization methods and essential ways of using Pin-yin in telegrams include the following:

a. The section of the telegram devoted to the address and name of the recipient should be written in block Chinese characters to guarantee correct transmission, but the contents of the telegram and the sender's name may be directly written in Pin-yin.

b. The 26 letters to be used in Pin-yin telegrams are limited to those found in the "Draft Copy for the Romanized Alphabet"; that is, A through Z. However, when it is necessary to use the Pin-yin umlaut ü as in nü and lü, a y should be used to substitute for the umlaut; thus, nyu and lyu. The four tones found in Mandarin Pin-yin are not to be transmitted.

SCIENCE

CHINA'S MAJOR ACHIEVEMENTS IN INDUSTRIAL HYGIENE AND IN THE PREVENTION AND TREATMENT OF OCCUPATIONAL DISEASES DURING THE PAST DECADE

Peiping, Jen-min Pao-chien (People's Health),
Vol. 1, No 10, 1 October 1959

[The following are extracts from a translation of an article written by Liu Shih-chieh, Department of Hygiene of Peiping Medical College; and Wu Chih-chung, and Wang Wen-yen, Institute of Labor Hygiene, Labor Protection, and Occupational Diseases of the Chinese Academy of Medical Sciences.]

Since the establishment of New China, a bill for an eight-hour workday system has been passed. Definite regulations have been made to protect laborers. This basic achievement is another step in the development of the Chinese constitution. During the Eighth People's Congress, the followings among suggestions advanced in

relation to the Second Five-Year Plan on development of China's economics: strengthen labor protection; institute industrial hygiene and technical safety, guarantee safety protection in production; undertake constructive measures to reduce and abolish the more dangerous occupational diseases. Special attention should be given to improving working conditions of laborers who work in wells, under high temperatures, in the fields, and at high altitudes as well as to improving the working conditions of women laborers.

In 1951 "Regulations on the Chinese People's Republic Labor Insurance" was announced. In 1956, the Ministry of Labor and the Ministry of Health declared "Factory Safety and Hygiene Regulation," "Regulations on Safe Techniques in Construction and Installation," and "Regulations on Report of Workers and Employees Casualty Incidents."

In addition "Temporary Health Standards of Industrial and mining Enterprise Planning," and individual laws and procedures such as prevention of occupational poisoning and heat exhaustion, prevention and treatment of sillicosis, were also announced. With these laws and procedures as a basis, work in industrial hygiene can very well be carried out in a constructive manner.

China's industrial hygiene activity has been patterned after the method used in the Soviet Union ever since it was started. A great deal of help has been given by the Soviet government and people in the work of cadre training. They have not only trained a large number of our students abroad, but also sent specialists with great experience (such as Yu. A. Osipov, G. A. Makisimov, and others) to China to lecture and supervise. They trained a number of cadres for basic teaching and scientific research. These cadres with the basic training have achieved much in the expansion of China's labor health and scientific research fields.

In 1950, the Ministry of Health established in Tientsin the Industrial Health Department. Later, industrial health centers were established in Shanghai, Anshan and elsewhere. The Peiping Labor Health Institute (not the Industrial Health, Labor Protection, and Occupational Disease Research Institute of the Academy of Medical Sciences) was founded in 1954. At present, a total of ten organizations exist for industrial hygiene and occupational disease research. Also, industrial health divisions have been established in the public health departments of many medical colleges and schools to train special personnel for scientific research work in this field.

In the past decade, China has achieved definite results in the field of industrial hygiene and occupational diseases. The following is a brief and collective report on the major achievements.

I. Prevention and Treatment of Silicosis

In 1950, the Ministry of Health announced that silicosis should be included in industrial and mining safety and health inspections.

There is no doubt that during the past decade the greatest accomplishment in the field of silicosis prevention and treatment has been adoption of dust prevention measures in the mines. Victory has been won in dust reduction work in the mountain mines. From incomplete statistics to the end of 1958, 223 large Chinese mines have brought dust concentration down to government standards. In early 1959, the Ministry of Metallurgical Industry announced that silica dust hazard in all Chinese metal mines had been completely eliminated.

Comparatively good results have also been obtained in factory dust reduction. Government standard rates were reached in many factories.

At present, research work on the mechanism of development, experimental silicosis, and dust extinction procedures are being studied in nine different organizations. More than three hundred articles relating to silicosis have been published during the past decade in China.

II. Prevention of Summer Heat and Cooling

In the southern districts of China, outside temperature rises as high as over 35°C during the summer. In certain places, it sometimes reaches 40°C . Prevention of high temperature and heat exhaustion in factory and mining industries is a difficult problem.

Since the beginning of 1950, health investigations has been carried on in high temperature factories and changes made. In textile plants, where high temperature and high humidity were the rule, mill temperature has been controlled since 1953. It has been reduced to under $30^{\circ} - 35^{\circ}\text{C}$., with humidity not exceeding 65-80%.

Research studies on physiology under high temperature were started in 1951. A major part of the work was to determine the effects of high temperature working conditions and heavy labor on workers' physiology. Later, the search for adequate drinking-liquid supply under high temperature conditions led to research on water-salt balance.

While working on the water-salt balance problem, Wuhan Medical College and some other units determined the nitrogen, potassium and 17-ketosteroids content of the sweat and urine of high-temperature workers. The problem of proper supply of healthy food to the workers was carefully studied in every district in China. Based on these studies, health standards for conditions in indoor industries were determined. The results have brought out a great deal of dependable scientific informations.

III. Prevention and Treatment of Occupational Poisoning

During the past decade, many studies have been done, by different medical colleges and schools, research organizations, and epidemiological centers, on scientific investigations and prevention of occupational poisoning. Over one hundred papers have been published. While this extensive survey was in progress, industrial health chemistry was promoted, clinical observations on occupational poisoning, and preliminary studies on industrial toxicology were also developed. Information in the field of industrial technology and on poison prevention measures was gathered.

Most of the prevention and treatment work, also the most extensively studied, deals with occupational poisonings. Of all the industries and different types of works, the rate of poisonings are the highest among the lead smelting, battery manufacturing, and ceruse manufacturing workers.

There are many reports on the diagnostic aspects of benzene poisoning. Mercury poisoning incidences have been greatly reduced in the Harbin and Shanghai areas as the result of the progressive movement for the use of effective measures. Chromium poisoning is almost under control in Shanghai. Not a single case has been reported since inclosure and ventilation measures have been installed.

Investigations and clinical observations on other poisons such as carbon monoxide, tetra ethyl lead, magnesium, arsenic, phosphorus, zinc oxide, sulphates, florides, benzine, agricultural drugs (organic mercury, organic chlorine and organic phosphorus) have also been reported. During the past decade, there has been rapid development in industrial hygiene chemistry.

IV. Other Occupational Diseases and Common Diseases in Factory and Mines.

According to present reports, occupational dermatitis among resin workers still exists. There have been debates for long periods on whether petroleum resin is poisonous. In recent experiments with animals, however, it has been proved that petroleum resin does possess toxic properties. Nevertheless the effects it produced are less toxic than coke resin produces.

Much work has been done toward the prevention and treatment of coke gangrene of the skin.

Some reports are studies on the prevention and treatment of diseases due to predisposing physical causes such as ultraviolet rays, ultrared rays, noise, motion, and high and low atmospheric pressures.

According to the reports, substantial arc-flash conjunctivitis is seen among electric welding workers. Beside the general treatment, acupuncture has been practiced in Shanghai with good results on most cases.

A limited number of cataracts caused by ultrared rays have been reported. Most of these cases are glass factory workers.

Studies on the effect of noises has also been carried out. On therapeutic front, preliminary results have been obtained with acupuncture in cases of deafness caused by loud noise.

Common diseases in factories and mines have gradually been controlled during recent years, and show a tendency toward steady reduction. For example, in 1958, among the workers of the 19 national factories in Shanghai, absentees due to the eight most common diseases was, on the average, 36.2% lower than in 1957; neurotic conditions, 52.35% lower; and arthritis, 43.14% lower. Among the workers of the Tientain Eastern Asia Wool Weaving Factory, absenteeism due to the eight most common diseases in 1958 was, on the average, 55.5% less than in 1957; acute gastro-intestinal diseases, 60.65% less; and neurotic conditions, 47.65% less.

CHINA'S MAJOR SCIENTIFIC AND TECHNICAL ACHIEVEMENTS
IN COMMUNITY HYGIENE IN THE PAST DECADE
Peiping, Jen-min Pao-chien (People's Health)
Vol. 1, No. 10, 1 October 1959

[This is a translation of an article written by
Wang Te-p'u, Hu Han-sheng, Chang Chiu-ch'ien, and Chou
Chih-chang.]

In 1953, China entered it's First Five-Year Plan period and began to develop economic construction. In order to have new buildings and the expansion of old city dwellings and public buildings built in compliance with modern health requirements, the State Construction Committee, the Ministry of Health, and the Ministry of Construction Engineering successively announced "Temporary Health Standards for Industries and Enterprises," and "Joint Directories in Relation to Health Supervision in City Zoning and City Constructions." These standards and instructions have evoked great action in the prevention of water source pollution, in the protection of atmosphere and soil from contamination, drinking water warranties, and in proper zoning of cities and municipalities.

In 1956, China established the far-reaching twelve-year plan of scientific technique development and cited research on problems of community hygiene as one of China's important responsibilities. This provided directions toward which further research on community hygiene would develop.

The Central government proposed a text and commentary, in 1956, on China's agricultural development (draft) evoking "rid the four evils, practice hygiene and eradicate diseases." The patriotic health movement entered a new phase, created a new

motion, resulted in a further change in the appearance of health in bigger cities and villages, and reduced incidences and epidemics of diseases.

I. Zoning of the Populated Districts and Hygiene of the Inhabited and Public Buildings.

During the past decade, along with the rapid development of China's socialist construction and industrialization, many new cities have been built. Several cities have been rapidly industrialized. The number of cities in China has increased from 157 in 1952 to 287 in 1957. The population of these cities has more than doubled. To accommodate large-scale production and the increasing daily demands of the people, health departments have joined with full force in city zoning investigation and research work.

Since the planned zoning was enforced, streets and projects in the residential neighborhoods and public buildings have been built and restored, some with comparatively well-equipped public facilities. It has given the cities an entirely new appearance. Good health conditions are created for the work, life and relaxation of the laboring people.

After the people's rural communes were established in 1958, community hygiene workers were faced with new responsibilities.

During the past year (October 1958-1959), epidemiological stations, medical colleges and schools, and scientific research organizations in various provinces and municipalities have all joined in the experimental work of planning people's communes for many districts. Through investigation, they have accumulated much information and have worked out preliminary drafts for hygiene in zoning.

In regard to residential housing and public building hygiene, much investigation and many research studies have been carried out during the past ten years. The most important are: "Health Investigation on a Model Residential District of the Laboring People" in Shanghai; a survey on farm residences of the Northeast carried out in Shen hsien; and, surveys on health conditions of residences in some communes carried out in the Harbin, Shanghai, and Wuhan areas.

In 1958, utilizing joint research procedures, Harbin carried out studies on suitable winter indoor temperatures for temperature in construction district No 1. Many research studies were also carried out in Shanghai on the lower limit temperature adaptation as directed by health regulations. In Wuhan, studies on the height limit for cleanliness in rooms were carried out in the research on health standards. In addition, health investigations and studies on public amusement halls have been carried out in the Peiping, Wuhan, Nanking, and Hangchow areas. According to the survey, in many movie and stage theaters ventilation facilities have been installed.

II. Atmospheric Protection in Inhabited Districts.

Health protection work of the atmosphere in China was first started in Mukden. The method employed was copied from and based on the Soviet's foremost experiences. Later, atmospheric contamination and its effects on inhabitants' health in the cities have been surveyed and studied as the research work developed in Fushun, Shanghai, Peiping, Anshan, Port Arthur, Tsingtao, and Tientsin successively.

The results of these studies in various places indicate that the atmosphere of inhabited areas is seriously contaminated by industries and enterprises. The contamination affects not only health condition in these areas, but also creates health hazard for the inhabitants.

In Peiping, clinical examinations were given to a group of school children between seven and thirteen years of age as part of the research study on the effects of atmospheric contamination on the health of those living near to the Shih-ching-shan Steel and Iron Factory. Results showed that in the contaminated districts, definite liver enlargement was found among school children especially of the lower age group. The percentage of liver enlargement was distinctly higher than that among the children living farther away from the contamination source. This phenomenon probably was related to the toxic effect of the small amount of sulphur dioxide present in the atmosphere over a prolonged period.

For improving the atmospheric hygiene of inhabited districts, much work has been carried out during the past few years. For example, Peiping, Shanghai and Mukden cities, joining in the socialist transformation of industry and commerce, have centralized and relocated in the country all enterprises that are seriously contaminating the atmosphere.

III. Water Supply Hygiene and Health Protection of Water Sources.

Although there was running water in the bigger cities and municipalities in China before liberation, the availability rate of water was not high. For example, in Shanghai the availability rate was only 25%. In the past decade there has been an enormous development in China's water supply work. At present, the number of people among the city and municipal dwellers in China drinking and using running water is more than five times before liberation. In Peiping, as an example, water supplied to the city districts and suburbs in 1958 was 8.92 times higher than in 1948. The availability rate reached 98.55%, 2.5 times more than before liberation.

Other examples are seen in Liaoning province. Water supply was 2.1 times higher than the amount available before liberation in Mukden, Port Arthur, Dairen, Anshan, Fushun and five other cities.

In October 1956, since the State's Construction Committee and the Ministry of Health jointly announced "quality standard of drinking water," the B. Coli indicator rose from "not to be found in 100 cubic liter of water" to "no more than three in 1,000 cubic liter." This is an indication of a rise in China's health standards and of improvement in scientific techniques in water purification.

In regard to the problem of water supply to rural districts and the vast village areas, extensive work in drinking water sterilization and water well improvement has been carried out by basic health departments since the early days after liberation. For example, in Kiangsi province, water well sterilizations in Nanch'ang have been carried out since 1949. In 1951, the work was expanded to twelve key districts. An average of 20,000 people each day in 1949 was supplied with sterilized drinking water. In 1950, the number was increased to 80,000 and in 1951 up to 520,000.

In Tientsin, as another example, over two hundred water sterilization centers were established each year in the rural districts and the country to serve water to over 400,000 peasants. Thus, incidents of contagious intestinal diseases among the peasants in the country were greatly reduced.

In regard to the protection of water sources, tremendous work was carried out in the dredging of rivers and lakes and in the construction of sewers during the early days of liberation.

In 1953, China entered its First Five-Year Plan period for economic rehabilitation. Large-scale economic construction with special emphasis on health protection of water sources, developed all through the country. Sewers were built in many newly constructed and expanding cities and municipalities. Some industrial cities and municipalities also constructed modern sewage-managing buildings according to health requirements suggested by health departments. Pollution of water sources by sewage water from everyday living and from industries has fundamentally been prevented.

Since the Scientific Planning Committee of the State Council of February 1958 directed that sewage water for irrigation purpose be studied as a main research problem, epidemiological departments of eighteen major cities and municipalities have studied health problems that might arise from using sewer water in farm irrigation. Problems such as the breeding of mosquitoes and flies; parasitic disease from eating uncooked vegetables; contamination of underground water; as well as farm labor protection were studied.

Health surveys and research studies on river and lake contamination and self-purification have great significance in the warranty of water sources and water quality. Before liberation, practically no studies in this field had been carried out. After liberation, much investigation and research work was carried out to study water quality and hygienic conditions of rivers and lakes by the organized forces of epidemiological departments of various provinces and municipalities.

In the decade since the nation was founded, China has restored and constructed tens of thousands of water storage houses of various size. The local epidemiological departments in different areas such as San-men-chia, Miun and Tan-chiang-k'uo, where bigger models were built, have all been capable of carrying the cleaning work of the bases of the storage houses rendering them suitable for the new constructions. These works have created a definite action on the improvement of water storage houses and the quality of water.

IV. Refuse Removal in the Inhabited Districts.

A sweeping-out movement has started everywhere in China since liberation. Refuse accumulated for years has been rapidly cleaned away. Houses have been repaired and remodeled. Many new houses conforming with health requirements have been built. Sweeping-out regulations have thus been stabilized. At present, the work of collecting and the work of transporting refuse and manure daily in various cities and municipalities have reached an equilibrium.

To keep the streets clean, a regulation has been passed to promote section-cleaning by the inhabitants to warrant constant cleanliness of streets and alleys as well as secondary roads.

The organic matter in the refuse, when mixed with manure to form a pile-fertilizer, becomes harmless after fermentation has taken place. With this management, large quantities of fertilizer for farm use is produced and agricultural production is being stabilized.

Furnace cinder in the refuse can be used for construction materials such as cinder blocks. Or, it can be used as a fill for swamps. This will prevent the breeding of mosquitoes and flies as well as the loosening and sinking of the land. Other waste matters in the refuse can be sorted out and used as reproduction materials. At the moment, this practice is being expanded throughout the nation.

Based on the practice of sorted refuse collection, Peiping, in 1956, studied and started the mud-sealed piles of manure mixed with organic matters in the refuse. This method is justifiable in the management of large quantities of the city's organic refuse. It also is a preliminary solution of the problem of organic refuse disposal in the city's and the municipality's planning.

Fertilizer is urgently needed in production. But, the fertilizer has to be first rendered harmless. To solve this controversial problem, Honan, Wei-fang, Shangtung, Peiping and Harbin areas have all successfully experimented on a rapid pile-fertilizer method. In this method, heat is supplied externally to hasten the rise of temperature inside the pile. This provides a suitable environment for the reproduction and activity of the high-temperature bacteria. The fibrous tissue in the pile is rapidly digested. Meanwhile, heat is being produced. It is, therefore, possible to shorten the decomposition process.

INCREASED PUBLICATION OF SCIENTIFIC AND TECHNOLOGICAL BOOKS
Shanghai, Chieh-fang Jih-pao, 24 April 1960

At a recent meeting of the Bureau of Publication, the publishers of scientific and technological books revealed their work and experiences. The publishers in Shanghai rely to a great extent on the cooperation of various organizations to encourage the literary circles to contribute materials for publication.

The literary societies of Shanghai affiliated with the Shanghai Science and Technological Association have organized an editorial committee for the purpose of studying and discussing the objectives of various publications and also of selecting titles for books. This all adds up to a closer cooperation between the publishers and the literary societies.

The building up and strengthening of a foundation based on cooperation would raise the standard of book publication. The party has repeatedly pointed out that the standard of publication work must be elevated continuously. This is a directive which the publishers will carry into effect.

Other steps must be taken to raise the standard of publication. Editors are sent directly to interview persons engaged in new research projects and the actual details of the project are written up for publication. For example, a 10,000-word manuscript intended as a small handbook on scientific theories was finally expanded to a fine technical science book of nearly 90,000 words. This was the result of an editor's suggestion. Besides new materials on work techniques, more than 20 outstanding books on labor have been published.

In mid-March 1960, to meet the current situation, the entire publication force was put to work publishing current articles on more than 400 new technological materials for use in the advancement of science and technology.

RURAL PEOPLE'S COMMUNES MUST TRAIN SCIENTIFIC AND TECHNICAL
PERSONNEL

Peiping, Jen-min Jih-pao, 20 April 1960

(Editorial) To accelerate the technical transformation of agriculture in our country and strive to basically realize modernization of agriculture within the next ten years or so is the fundamental task of socialist construction in our country. In order to achieve this task, rural people's communes must train more scientific and technical personnel.

For the past several years, particularly since the big leap forward in agricultural production, numerous agro-technical personnel have made their appearance in the agricultural front in

our country. In the meantime, departments concerned have also trained a certain number of technical personnel for rural people's communes. However, numerically and qualitatively speaking, agro-technical personnel now working in rural communes are far from satisfying the actual needs at present. Many rural communes have, in keeping with the eight-character constitution of agricultural development, taken steps to basically reform farming methods, develop on a broader scale diversified productive activities in agriculture, forestry, animal husbandry, sideline production, and fishery, build or expand farm tool repair and assembling shops, and set up plants for processing farm produce and subsidiary products. Some communes which have built reservoirs are planning or beginning to build power generating stations. According to the needs of expanded production, each and every commune needs a great number of technical personnel, not only agro-technical personnel but also industrial technical personnel. Are conditions available for rural people's communes to train a great number of agro-technical personnel of various categories? Yes, rural communes have one big advantage -- they can train the technical personnel themselves. Rural communes have practiced a more minute division of labor, forming specialized teams of various categories. This demands of commune members the cultivation of special skills in certain aspects before they can serve the needs in production undertaken by specialized teams. It is precisely for this reason that conditions are available for the training of specialized personnel in a practical manner.

In training technical personnel, rural people's communes must rely on their own efforts. Some of the cadres of rural communes and production brigades are not quite clear on this point. They feel that without much technical and cultural background, it would be difficult to develop production on a broader scale. Their idea of raising the cultural level and of training technical personnel is at variance with the idea of relying on their own efforts. They thought that rather than train technical personnel on their own efforts, they should ask the higher authorities for help, and that would solve the problems faster.

However, experiences in past work have proved that the rural communes are able to train technical personnel of various categories by their own efforts and that only by relying on their own efforts can they adequately satisfy the over-all needs in the development of production. The vanguard people's commune -- the former vanguard agricultural cooperative -- in Yeh-hsien, Shantung, took active measures for training technical personnel on its own efforts for animal husbandry, industry, and water conservancy. Within a very short period of time many technical personnel were trained and assigned to work with various production departments, giving technical guidance in specialized teams and production

brigades. This commune has also systematically selected some of its technical personnel and sent them to agro-technical schools in various hsien and administrative districts for advanced technical training. By so doing, it has attained the goal of training more agro-technical personnel faster, of better quality, and with more economical results. At present, each and every rural commune urgently needs a great number of technical personnel. It is obvious that such needs cannot be met by solely relying on state training in schools.

CCP organs in various localities, particularly CCP organs in various hsien, communes, and production brigades, must strengthen leadership over the training of technical personnel for rural communes. In the meantime, various departments concerned must foster coordination in work among themselves because rural communes have to train technical personnel in many fields and the training work may have to involve many other departments such as agricultural, forestry, water conservancy, education departments as well as the Young Communist League. For this reason, all departments concerned must act in a coordinated manner and make over-all plans for training technical personnel. CCP organs at all levels, especially organs in communes and production brigades, must mobilize manpower from all sources to strengthen the training of technical personnel in order to promote technical transformation of agriculture and to achieve modernization of agriculture in our country.

FUKIEN ESTABLISHES TIDAL ELECTRIC POWER PLANT Vilnius, Sovetskaya Litva, 10 March 1960

The Chi-mei Tidal Electric Power Plant, which uses the power of ocean tides to produce electric power, has been built in Fukien Province. A 20 square kilometers sea area serves as the reservoir for this central electric power plant, the first of its kind in Fukien. The power of this plant which is 22 kilowatts, will be increased in the future.

Two auxiliary reservoirs will be built to ensure a more uniform output of electric power at this plant.

In the past 2 years, a whole series of small tidal electric power stations have been built on the coast of South China, East China, and the Yellow Sea.

REVIEW OF RADIOISOTOPES IN THE FIELD OF MEDICINE DURING PAST
DECADE

Peiping, Chung-hua Fang-she-hsueh Tsa-chih (Chinese Journal of
Radiology), Vol. VIII, No. 5, 1959

[This is an extract of a translation of an article
written by Wang Shih-chen and Yeh Ken-yao.]

The development of the use of radioisotopes in our country is inseparable from the emphasis on scientific research by the party and the state, as well as from the intimate friendship of the Soviet people for our people. In 1955 the Soviet government made an announcement "on the scientific and technical help it contributed to other countries while its promotion of atomic energy for peaceful purposes was in progress." In 1956 our State Council cited the use of isotopes in medical science in the far-reaching 12-year plan of scientific development as comprising one of our country's major projects.

At the same time, with the energetic support of related supervisory departments, isotope determinations, instrumentations and training classes on the use of isotopes were established. The students of these classes are now working in various districts throughout the country.

From March to the end of November 1958, training classes on the use of isotopes in clinical medicine were established successively in the Peiping, Sian, Tientsin, Shanghai and Canton areas. Under the guidance and encouragement of the local municipal administrations, the health departments and the related medical colleges, laboratories were built and work on isotopes was started.

Research covered the use of radioactive iodine¹³¹ in hyperthyroidism and cancer of the thyroid gland; radioactive phosphorus³² in the treatment of chronic leukemia, polycythemia vera and multiple myeloma; and the use of radioactive iodine¹³¹ and radioactive phosphorus³² in clinical diagnosis and research.

Up to the present time, work has been in progress in the Peiping, Sian, Tientsin, Shanghai, Canton, Chengtu, Nanning, Chungking and CH'ang-sha areas, and over 25 isotope laboratories have been established.

As to work on external radiation, Peiping Tumor Hospital has installed cobalt⁶⁰ teletherapy machines and has been using them in the treatment of cancer patients since March 1958. Thereafter, cobalt⁶⁰ was utilized for patients in Shanghai, Sian and Tientsin. Similar work will be started this year in Canton.

Because of the unselfish assistance of the Soviet Union, our country was able to construct its first atomic reactor and

cyclotron, which has produced over 30 common isotopes. In 1956, 1958 and 1959, the Soviet Atomic Energy for Peace Exhibition traveled to Peiping, Shanghai, Canton and Chungking, and lectures were given by Soviet specialists.

Exhibitions and lectures such as these have resulted in a great advancement and extensive promotion in the development of the use of isotopes in medicine. The "National Association on the Use of Isotopes" was organized last year. The Ministry of Health has also organized new departments accordingly. Based on the party's policy of atomic science participation by all the people, there will certainly be a rapid development in the use of isotopes in clinical medicine; as a result, atomic energy will be used to improve the health of the laboring people.

THE NEW POWER OF SCIENCE AND TECHNOLOGY GREATLY ADVANCES
Peiping, Kuang-ming Jih-pao, 1 January 1960

A new power in the China Academy of Science, the Geology Research Section is rapidly maturing and has become an important force in scientific research. For several years, this group of young geologists, combining learning and doing, have undergone strict discipline in actual working. They have studied the causes of deposits containing rare elements, and the laws of their distribution; and have undertaken the task of geologic study in connection with guiding the course of the T'ao River in Kansu.

By means of this survey and research work, this new force's competence in science and ability to work independently has been very much improved. Many recent graduates of universities who are doing research and field work, heretofore have been able only to write reports on field work; now they can write comprehensive summaries of high quality and sound in theory. Many persons have undertaken leadership of field teams and of indoor research groups, and responsibility for topics. Many research and field workers who are university graduates of 1954 and 1956 have attained the rank of assistants in research.

The quick maturing of this new force is due to the method adopted by the research section of boldly setting free young men to discipline themselves through actual work, giving them a definite research responsibility, training them, and helping them to rise step by step. For example, the task of studying rare elements, which was accepted by this section, as originally determined, was to complete the study of four chief elements in 12 years. In the past few years, several took up this work; but being rather few in number, results were not significant. In the 1958 big leap forward, this section's leaders freely let all the

young cadres in the mineralogy room participate, and also accepted students from higher schools, forming 10 field teams, each big team being led by a research fellow. As a result, with the help of the units concerned, in the short space of 10 months the task was successfully accomplished. The area surveyed covered 100 mine spots in 12 provinces. Some 33 kinds of rare elements, were located, and estimates were made of reserves of these deposits and their industrial value; and on this foundation was written an analysis method and an account of these minerals, and a preliminary chart for the processing of rare elements.

MIDDLE SCHOOLS SUCCESSFULLY CONSTRUCT MECHANICAL ROBOT Shanghai, Chieh-fang Jih-pao, 10 May 1960

At a middle school science and technical project exhibition in Shanghai recently, a "walking" and "talking" mechanical man was shown to the spectators. This robot was able to walk slowly, stop, raise its arms and execute several hand gestures. When a boy from the audience asked the robot: "Why are you called a mechanical man?", the robot answered: "Because I am made up of mechanical devices." This robot was constructed in one month by 14 young boys of the China Fu-li Club who were interested in radio, chemistry, and model airplane and ship building.

EXTENSIVE CORRESPONDENCE EDUCATION TRAINS ENGINEERING CADRES Peiping, Kuang-ming Jih-pao, 5 January 1960

The T'ung-chi University correspondence education has had tremendous expansion and gained definite results.

When T'ung-chi started correspondence education in 1958, there was only the one specialist course in industrial and civilian construction (6-year system), with 106 students, all of whom came from Shanghai. Beginning with 1957, courses have been started in water-supply and sewage, heating, gas supply and ventilation, highways and streets, and 3 specialist courses of the 6-year system. The number of students has increased to 590, and they come from all over the country (temporarily none from Tsinghai or Tibet).

For three years now, T'ung-chi University has been actively working on correspondence materials, and besides writing handbooks as a guide in using daytime school materials for study, they have also prepared 15 kinds of correspondence textbooks; among which, textbooks for correspondence work in higher mathematics and in general physics have been published by the National Publishing Co.

Correspondence education of the Hupeh higher normal schools, has been initiated with the guidance and support of the provincial committee, provincial education bureau, and of local party committees and educational agencies, with practical undertaking of this work by the Hua-chung Normal College, with 7 standard courses in Chinese language, mathematics, history, geography, biology, chemistry, and physics. Correspondence students now number over 13,000 from all the provinces. The departments have prepared and printed over 30 kinds of correspondence material, and over 70 occasional auxiliary publications; and have sponsored 7 large vacation gatherings for teaching, with over 50 occasions of oral guidance in smaller centers. These teaching activities have been of notable use in training and improving teachers.

CHINA MAKES A LARGE-SCALE HIGH-SPEED ELECTRONICS COMPUTER
Peiping, K'o-hsueh Hsin-wen, No. 30, 28 September 1959

From an article by the Institute of Computation
Techniques, Academia Sinica.

The party and the government are extremely interested in electronic computer research and have put it in the category of important advanced scientific development items. During the 1958 great forward leap, the Institute of Computation Technique of the Academia Sinica, with the assistance of Soviet experts and support of brotherly units, installed an "81" type small electronic computer. The machine was later adjusted and now it is working problems. In the meantime, we have succeeded in developing a high speed memory device. The improved "81" type computer is 40 times as fast as the older model. Another exciting bit of news is that after fighting hard for a year and a half, the comrades in the Institute of Computation Techniques have completed a large-scale high-speed electronic computer on the eve of the 10th anniversary of the founding of our great mother country. The machine was based on Soviet technical information and is now solving problems such as the stress analysis of dams, sewer line designs, turbine blade designs, mechanical vibrator designs, land surveys, and many more complicated problems which are closely related to our national construction activities. Technical data show that the machine has a computation speed of 10,000 times per second, its memory can hold up to 2,048 words. As far as performance is concerned, this computer is superior to any of the Japanese made computers. It took us only about 18 months to complete the machine.

SUPPLEMENT

WORK REPORTS OF THE WUHAN COMMITTEE OF THE CHINESE COMMUNIST PARTY

1. THE FIRST SESSION OF THE THIRD ALL-CITY CONGRESS

[Following are highlights from an article by Sung K'an-fu in Ch'ang-chiang Jih-pao, Wuhan, 6 January 1959. These highlights may be compared with the Second Session highlights which follow. These highlights are concerned mainly with aims and objectives.]

I am now representing the Wuhan city committee of the CCP in making its work report for the last two years to the first session of the Third All-City Congress. The contents of the report are: basic summing up of the work of the two years and present trends and future duties.

Part I. Basic Summary of the Work of the Last Two Years

Two years have passed since the first session of the Second All-City Congress. In the two years, great changes have taken place in the international scene and at home. In the international sphere, the development of combative trends has completely proven the correctness of Chairman Mao's famous theories and conclusions. Basic changes have taken place in regard to the comparative strength of the two camps. "The east wind has prevailed over the west wind and is in the process of continuing to prevail over it." The development of international trends completely benefits the socialist and peaceful democratic camps, and is not beneficial to the imperialist aggressive camp.

The socialist revolution and socialist construction of our country are witnessing one high tide after another and one victory after another. The people of the entire country, on the foundation of the great rectification movement and under the illumination of the general line of the party for socialist construction, have raised their socialist and communist awareness. In 1958, there were great leaps forward in the various directions in industrial and agricultural production and in scientific and cultural affairs. The people's communes were started throughout the country following the rapid development of the socialist economy and the raising of the awareness of the masses of the people. These great victories laid an excellent foundation for the new even greater, better, and more all-around leap forward of 1959.

Our Basic Experiences and Lessons

In all the above work, [omitted by JPRS] what are the most valuable and basic experiences and lessons that we have obtained? In the rectification movement and in the profound development of the great leap forward which followed it, we learned comparatively maturely the concrete use of the principle indicated to us by the central committee of "the leadership of the party, politics takes the lead, the mass line for correctly handling the inner contradictions of the people and leadership over socialist construction. Facts have proven that this principle is a universal truth of Marxist-Leninism that is not only suitable for use in a rectification movement, but also to all aspects of socialist economic and cultural construction. From the rectification of the entire people to the making of iron and steel by the entire people was a period of rapid advances in the economic base of the entire city and hurried changes in the superstructure. It was also a period when the people of the city took big steps forward and leaped forward in all fields. Following the development of actualities, the understanding of this principle was more profound and the use of it more mature. The raising of the understanding of the people and the ripening of experience reflected back and pushed unceasing leaps forward in the various items of work.

The correct leadership of the party is the basic guarantee of the acquisition of victory in the various items of work. The capitalists have claimed that the party cannot lead construction, that it cannot lead science and technology or culture and education, that non-professionals cannot lead the professionals. This kind of confused concept has also existed in the party. Although the "one chief system" has been criticized, its influences still remain in some units. However, the facts of the two years prove that the party not only should lead everything, but that in addition it is only by placing socialist economic and cultural affairs and all affairs under the absolute leadership of the party that we can unite the masses and leap forward. It is only by practicing the plant chief responsibility system under the leadership of the party committee and having the party organizations become the leadership kernels and unified directors of the enterprises that enterprises can be established on a broad democratic base, that the function of the work of the various aspects of the enterprises can be manifested, and that the activism and creativity of the entire masses can be manifested. We will now discuss these experiences separately according to the following aspects.

1. Fully Manifest Socialist Democracy, Great Contentions,
Large-character Papers, Great Debates

To fully manifest socialist democracy and cause the functioning of democracy and daily work to merge, to become regular, and to become a system, and to cause the broad masses of the workers to become the masters of the state and the controllers of the enterprises (including the enterprises, schools, organizations, etc.) and, under the leadership of the party, to investigate, discuss, and decide problems of production, work, and all that concerns the worker personally, that is the beginnings of relying on the masses and mobilizing the masses to do all things. All things should be transmitted to the masses.

There are two methods for leading the masses to the completion of their duties. One method was for me to tell you, for me to speak and you to listen, for me to issue orders and you to implement them. This is the capitalist leadership method, the bureaucratic style. Another method is to lead and unite with the masses, to unite democracy and centralism, to have large contentions, large-character papers, and great debates. This is the Marxist-Leninist leadership method.

2. The "Two Participations, One Change, and Three Combinations"
Under the Leadership of the Party Is the Control System and Method
for Enterprises

The firm and profound pushing of the two participations (the management participate in labor, the workers participate in management) and the three combinations (the leadership of the party, the technical personnel, and the masses of the workers) is the basic method for arranging the relations between the leadership and the masses, for making the regulations systems better serve production, for fully manifesting the latent power of people, and for unceasingly raising the rate of output of labor. It is also the management system of socialist enterprises.

3. Militarize Organization, "Combatize" Behavior, Collectivize
Life, and Democratize Management

To practice a high degree of concentration and unity on the foundation of a high degree of democracy, to strengthen our self-aware organizational nature, disciplinary nature and combative nature, and to organize ourselves into a new type of production army, we must stabilize and improve the experiences of the movement of large scale engagement in iron and steel, we must practice the "four transformations," namely, the militarization of organization, the combatizing of behavior, the collectivization of life, and the democratization of management. This would fit the new trends of development and the organizational forms and livelihood formulas of the new environment for livelihood.

4. Release High Output Sputniks and Combine with the Organization of Daily Abundant Output Over A Large Area

Since the ideology of the masses is unceasingly leaping forward and socialist construction as a whole is also leaping ahead, we must have an organizational and leadership method and new forms of socialist competition suited to these trends. The proper method is the carrying out of conscientious preparations and the combining of the organization of releases of large-output sputniks with the organization of daily abundant outputs over a large area. Each year, each season, and each month, the various systems and units should use active regular work to carry out preparations for arranging and concentrating the activism and creativity of the masses within a certain period for a definite high output combative goal, all for the sake of guaranteeing the concrete leap forward goals of the core tasks. In this way, when the masses have undergone great debates and when ideology is unified and targets have been concentrated, we will bring out a spirit of a high degree of striving. In a short period, in certain cycles, there will appear flying leaps, there will appear high output "sputniks." Under the lead of the "sputniks," we will organize active balances and cause all work to come up to the level of the advanced cycles. The weak cycles will not only quickly be discovered, but will also be destroyed.

5. Combine the Large, Medium and the Small, Raise the Native and the Foreign Together, Walk the Two Roads

The large scale modernized enterprises are the backbone of socialist construction. We must raise them in a planned manner. In the city, these enterprises must be given the emphasis and their function as the backbone be brought out by extensive mass movements. At the same time, we must pay attention to the strong points of the "small native." They are simple and easy to operate; they need little investment; they can directly utilize the experience of the masses; they can handle the participation of the largest number of the masses; they bring results quickly. Naturally, the "small native" will also go from low to high, small to large, and native to foreign following changes in conditions. However, the following of both the "large-foreign" and the "small-native" roads is the basic method and long-range policy for socialist construction and cannot be dropped.

Part II -- Present Trends and Duties

The duties of the entire party, country, and people for the construction of socialism and the creating of conditions for the transition to communism are: "By use of the people's commune form a social organization and following the general line proposed by the party for the construction of socialism, to develop at a high speed

the social forces of production, to promote the industrialization of the country, to industrialize the communes, to mechanize and electrify agriculture, to cause the collective ownership system of socialism to change step by step to the socialist system of ownership by all the people, and consequently to cause our socialist economy to realize ownership by all the people completely; to make, step by step, our country into a socialist state with a modernized industry with a high degree of development and with a modernized agriculture, culture, and science. In this process, the communist elements will increase step by step, and will, in the material and spiritual conditions, set a foundation for the transition from socialism to communism."

1. With Steel as the Core, Make an Overall Leap Forward

The crux of the guaranteeing of the completion of the national plan lies in continuing the implementation of the policy of "steel as the core, an all-round leap forward" and the policy of "raising the native and the foreign at the same time."

2. Start a Socialist and Communist Education Movement on A Large Scale

A central cycle of strengthening the leadership of the party and the primacy of politics at the present time, and the basic guarantee of good performance in all work and of the completion of all duties is the bringing together tightly of all the facts of the all-round leap forward in socialist construction and the starting up of a socialist and communist ideology education movement of a large scale. The aim of the CCP is to make China into a great, strong and rich and advanced socialist state, and further, to organize, on this basis, the advance to the realization of the highest theory of mankind - communism.

The basic content of education on communist ideology is that we must discuss and make clear the prospects for communism and the conditions and path for its realization, that we must explain that communism is no longer a matter of the far-distant future, that we must lead and stimulate people to contribute their own strength to the realization of this great ideal. In speaking of the prospects for communism, we must also make connections with the objective realities of the present, and explain that at present we are still "one poor and two blank," that our productive and livelihood levels are still very low, and that consequently we cannot be satisfied with present conditions, that we must make efforts to change the present situation, that we must struggle bitterly and exert ourselves to accelerate the present speed of the construction of socialism, that we must also exert ourselves to prepare conditions for the transition to communism tomorrow.

The process of socialist and communist education is for leading the will and high tide of enthusiasm of the masses to the leap forward of the present with steel as the core and to the technical and cultural revolution of the present, for organizing the broad masses into a powerful communist labor army suitable for the struggle of opposing American imperialism and for conquering nature and developing socialism. At the same time, such education is also for leading the will of the people, on the foundation of the rectification and the victory of the movement for having the entire people engage in industry and in communications transport, to the movement for developing the people's communes in order to stabilize the victory of the rectification movement and push forward the struggles of the present.

3. Actively and With Firm Steps Develop the Movement for the Conversion to Communes

The suburbs of Wuhan city have already realized the conversion to the communes.

The development of the movement for the conversion to communes in the cities is also a necessary trend. This is because on the foundations of the socialist revolution's victories along the economic, ideological, and political fronts and the all around leap forward in economic and cultural construction, people have given form to a great liberation of communist ideology. After socialist economic and cultural construction had made an all-around leap forward, the people requested the realization of an even larger scale and higher leap forward. They requested that we organize production that is comprehensive and of many types and all-round development. They requested that we do even more the mobilizing of the reserve strength of social labor. After the development of production, especially after the great iron and steel movement, the people wanted to advance a step in being organized to form a social organization which combined the worker, farmer, merchant, student, and soldier and which combined the political and the social, in order to promote the development of the productive forces and the raising of the productive efficiency of labor. Following the rise of the collectivization of life, the people requested that material and cultural life be organized even better. The requests of the people in regard to politics, technology, and cultural studies also became more pressing. All these promoted the requesting by the masses of the establishment of communes in the city. In regard to this, we should use a positive attitude and give it serious attention.

4. Start Up A Technical and Cultural Revolution Movement of All the People

On the existing foundation, we should continue to broadly and profoundly develop the technical and cultural revolutions, struggle to basically change our backward countenance in science, culture, and technology and in two years of bitter struggle, promote the development of socialist construction and raise the productive forces.

5. Be Concerned With and Improve the Livelihood of the People

Concern with and the improvement of the livelihood of the masses is one of the important duties of the party and cannot be neglected. The more the party is concerned with and improves the livelihood of the masses, the larger will be the enthusiasm of the masses.

Concern with and improvement of the livelihood of the masses involves first of all the rational arrangement of work, study and rest time. Resting well is for guaranteeing that labor will be even better. The good or bad of labor is not in the length of time, but in the results of labor. When people are well rested, their labor efficiency is high. When they are not well rested, results will not be good even when the laboring hours are long. In the city, we should generally restore eight hours of work a day, guarantee that there is eight hours of sleep, two hours of study, and six hours for eating and resting. In times of temporary urgent shock tasks, work [per day] should not exceed 10 hours at the most. There must be one day of rest each week. In the villages, there should generally be eight hours of work and four hours for eating and resting each day. In busy agricultural times, work should not exceed 10 hours and in especially busy times should not exceed 12 hours. There should be a half day of rest each week. At the same time, we must pay attention to simplifying and shortening meetings and not for convenience's sake use up the rest time of the masses for them

In regard to improving the living conditions of the masses, especially in the tents in the work areas and establishments out of doors, we must pay attention to protection against the rain, wind, snow and ice. Under specially bad conditions, we must guarantee that the workers will not sleep on the ground. We must make plans for rebuilding houses and doing away with tents in the city in keeping with the step-by-step carrying out of city construction. The villages, at the same time that they carry out planning for towns and land, must also draw up plans for new "collective villages" [dwellings] and carry out step by step improvements. For city and villages, when plans are being made, the dwellings must be made

suitable for the congregation of a family's man and wife and the old and the young. We must pay very careful attention to the health environment of the living quarters, to the "greenization" of the gardens, and to the planting of large areas to make them beneficial to the good health of the people.

We must guarantee that each laborer eats fully, well, and conveniently. We must run public dining halls well and on a large scale.

We must be concerned with the healing, treatment and restoring to health of the aged, infirm, sick and pregnant.

In running the collective baths of the plants, enterprises, organs and schools, we must especially pay attention to the supply of water for the needs of the women.

We must run the nurseries and kindergardens well, make life there better than at home, make the education given good, make the children like to be there, and make the parents willing to leave their children. For this reason, we must train qualified attendants and teachers in large numbers.

We must actively start up culture, music and physical culture movements of a mass nature, making the after hours life of the masses rich and variegated. In culture and leisure, we must mould the communist quality of the masses to make them good in ideology, in production, and in livelihood.

The city's public utilities, daily-necessities supply units, health units, and all service units must consider how to better guarantee the improvement of the people's livelihood, the improvement of the attitude of service, the raising of labor efficiency, the organizing of a great leap forward, and the setting up of a viewpoint which develops service and which unceasingly improves service to the people's livelihood.

We must make everyone understand that work which serves and waits on other people is a type of lofty enterprise that should receive the thanks of society. The personnel who serve the people should be of high ideological quality and have the knowledge needed for the service he is rendering. All those viewpoints which regard people in service work as inferior are wrong.

6. Strengthen the Leadership of the Party, Improve the Attitude of the Cadre

Strengthen the leadership of the party, raising the ideological and organizational levels of the party, and continuing to improve the styles of the cadre are the basic guarantees for the promotion of the leap forward with steel as its core. The victory of the rectification movement and the appearance of leap forward trends are the results of the correct leadership of the party. New trends, on their part, have brought out new requirements for the leadership of the party.

We believe that in obedience to the directives of the central committee of the party and of comrade Mao Tse-tung, and under the direct leadership of the party committee of Hupeh Province, we can certainly, on the existing foundations, advance a step in raising the leadership level of the party organizations of the entire city, unceasingly correct our deficiencies, improve work styles, manifest the function of all the party organizations and of each party member, unify the people of the entire city for the realization of a bigger, better, and more all-around leap forward, for accelerating the realization of the tasks of the second five year plan, and for struggling bitterly for two years to change the face of the city and make Wuhan into a great socialist industrial base.

2. THE SECOND SESSION OF THE THIRD ALL-CITY CONGRESS

[The following are highlight excerpts of the work report of the CCP Wuhan Municipal Committee, presented on 16 January 1960 by SUNG K'an-fu to the second session of the third Wuhan Municipal Congress of the Chinese Communist Party, published in Wuhan Ch'ang-Chiang Jih-pao, 3 February 1960.]

Basic Summary of Work in 1959

One year has exactly passed since the first session of this congress. The past year was one in which China's socialist revolution continued to advance penetratingly and her socialist construction continued to develop. During the year, under the direct leadership of the Hupeh Provincial Committee, in common with other areas in the whole country and in the whole province, Wuhan Municipality scored new achievements in both the socialist revolution and socialist construction under the brilliant guidance of the Party's general line, the big leap forward, and the people's communes.

We have achieved decisive victory in the struggle against rightist opportunism developed on the basis of the resolution of the Eighth Plenum of the Eighth Central Committee of the party.

Motivated by the intra-party anti-rightist rectification campaign, we developed among the broad masses the movement for education in socialism and the general line, and we also obtained very marked results.

Under the call of the party for opposition to rightist thinking and exertion of utmost efforts, and with the efforts put up by the people of the entire municipality, in 1959 Wuhan realized the advanced overfulfillment of the year's national economic plan.

On the foundation of the 1958 big leap forward, we realized in 1959 a better and more comprehensive big leap forward. Politically, ideologically, economically and culturally, the face of Wuhan Municipality has undergone a further penetrating transformation.

To absorb the experiences and lessons from the 1959 great struggle for the defense of the general line and the realization of the big leap forward, we are making a more detailed explanation of four problems, as follows.

I. The Struggle Between Two Classes, Two Roads

Following the basic victory of the socialist revolution on the economic front, in 1957 and 1958 we carried out the anti-rightist struggle and the all-people rectification movement, and achieved decisive victory in the socialist revolution on the political and ideological front. As the Central Committee of the party and Chairman Mao directed, the contradictions between the working class and the bourgeoisie, the contradictions between the socialist road and the capitalist road are from beginning to end the principal contradictions during the transition period. The practice of 1959 once more proved the complete correctness of this conclusion.

However, because the bourgeoisie still existed, we still need a considerably long period to thoroughly overcome the customs and influences of the bourgeoisie and the petty bourgeoisie. We have not yet thoroughly wiped out the reactionary ideological activities and political activities of the bourgeoisie in both urban and rural areas. These still find a market among a portion of the well-to-do middle peasants and intellectuals. And so whenever a breeze blows and the grass is moved, these elements will seek to be active, and their representative figures will be found within the ranks of the party. This is the social and class source for the attack launched on the party's correct line by the rightist opportunists within the party.

The rightist opportunists brought forward the "theory of the extinguishment of the class struggle" to resist the Party's viewpoint of "the non-conclusion of the class struggle." What are the principal contents of this so-called "theory of the extinguishment of the class struggle?"

One brand of the theory is as follows. They confuse the contradictions among the people with the contradictions between the enemy and ourselves, two kinds of contradictions different in nature.

Another brand is as follows. They distort the relationship between politics and professional activities, and oppose the proletarian practice of letting politics assume command.

Some rightist opportunists say, "When letting politics assume command is carried to the extreme, subjectivism will result." But actually they do not want politics and would have professional duties assume command.

The struggle between two classes, between two roads exists to a serious extent. To achieve complete victory in this struggle, we must persist in the proletarian principle of letting politics assume command, putting politics in the first position.

The struggle against rightist opportunism has provided us with a basic lesson. This is the need for us at all times to use the method of class analysis in the handling of problems in the revolution and in construction. So long as classes exist and so long as class struggles exist, the method of class analysis will never be out-dated.

II. The Antithesis Between the Bourgeois World Outlook and the Proletarian World Outlook

At the root of things, the divergence between the rightist opportunists and ourselves lies in the antithesis between the bourgeois world outlook and the proletarian world outlook. World outlook is the general view of people toward the objective world. It controls all our views and acts. The proletarian world outlook is dialectic materialism and historical materialism. It observes things as they originally are. It weighs problems comprehensively and penetratingly with the viewpoint of development.

People with such a world outlook firmly believe in the certain victory of the proletarian revolution, and resolutely carry out the socialist revolution to its very end.

III. Over-all Leap Forward at High Speed

On this question the rightist opportunists had circulated a number of pessimistic views. But the merciless facts have smashed their views thoroughly. In 1959 we saw a leap forward that was of high speed and in proper proportions.

It was absolutely no accident that the rightist opportunists opposed strenuously our attainment of high speed. For high speed is the soul of the general line. The rightists vainly hoped to abolish the general through their opposition to high speed.

The rightist opportunists are still disseminating the preposterous view that "high speed cannot be accompanied by good quality" and the like.

IV. Combination of Centralized Leadership With Mass Movement

The history of China's revolution and construction has proved time and again that the combination of centralized leadership with the mass movement is the basic guarantee of our victory. The achievements of the continued big leap forward in 1959 once more effectively proved this truth.

The Current Good Situation and Future Struggle Tasks

Our country is today placed in a most favorable situation. Internationally, the socialist camp headed by the Soviet Union has become more powerful, and its unity has been strengthened. The unity of the international working class is growingly developed and consolidated. The unity of all peace loving people is being continually strengthened. The contradictions and conflicts within the ranks of the imperialists, however, are growingly acute. The world is increasingly accepting the situation in which "the east wind prevails over the west wind," and even the enemy has to admit it.

In China, under the wise leadership of the Central Committee of the party and Chairman Mao, under the guidance of the general line of the party, close in the wake of the big leap forward of 1958, we continued in 1959 to realize a better and more comprehensive big leap forward in the national economy. We have victoriously realized in 1959, the fulfillment three years ahead of schedule, the major targets of the Second Five Year Plan, as called for by the Eighth Plenum of the Eighth Central Committee of the Party.

The three treasures for the development of socialist construction -- the general line for socialist construction, the speed of development of the big leap forward, and the organizational form of the people's commune -- have further penetrated the minds of the people, and the experiences in the use of these three treasures have been enriched.

Our slogans are as follows: Rapidly build Wuhan Municipality into a powerful industrial base of socialism. Rapidly realize the universal development of water conservancy projects, the mechanization and electrification of agriculture and the industrialization of people's communes in the whole municipality. Rapidly catch up with the nation's advanced scientific, technical and cultural levels. Struggle for the basic transformation of the face of Wuhan.

Here we want to special stress the problem of the city giving support to the countryside, and industry giving support to agriculture.

Agriculture is the foundation of the national economy. Without the rapid development of agriculture, the construction of an industrial base will encounter serious obstacles, and the living standards of the entire population cannot be basically improved.

The technical reform of agriculture must promote industrial production and the technical reform of industry itself.

For the victorious realization of a better and more comprehensive sustained leap forward in 1960, for the thorough implementation of the task of the city supporting the countryside and industry supporting agriculture, we must make the fullest use of the favorable factors now existing, and attend properly to the following tasks:

1. The Consolidation and Development of the achievements of the struggle against rightist opportunism and the rectification campaign, the continued penetrating development of education on socialism and the general line.

2. Over-all planning and prosecution of the economic war in stages.

3. In Industry, resolute implementation of the policy of "Making steel the main consideration and seeking over-all leap forward," and "Singling out the central tasks of lead all others."

4. The resolute implementation of the policy of "Making grain the major consideration and seeking over-all leap forward," the simultaneous development of grain, cotton, oil and diversified operations, and the over-all development of agriculture, forestry, animal husbandry, subs diary occupation and fishery.

5. Further consolidation of people's communes.

6. The further development of technical reform and technological revolution, development of large scale production increase and economy movement, promotion of mass movement, and planned and measured realization of over-all technical reform in industry and agriculture.

7. Under the premise of making industrial and agricultural production the central task, rendering active service to industry and giving vigorous support to agriculture, the continued over-all leap forward in all fields of work, and the further realization of "One Horse Forging Ahead and Ten Thousand Horses Running Furiously."

8. Strengthening of the whole party's efforts in the study of Marxism-Leninism and the Works of Mao Tse-tung, and the better unification of work, study and writing.

9. The further strengthening of the leadership role of the party and the overhauling of the party organization.

10. The improvement of work methods and leadership style.

LIST OF CURRENT TRANSLATIONS ON COMMUNIST CHINA

1. Summary of Communist China's Achievements in the Medical Sciences in the Past Decade, 12 pp JPRS: 3200
2. General Survey of Metallurgical Processes for Nonferrous Heavy Metals and Current Trends (Translation of an Article by T'an Ch'ing-lin in Peiping, K'o-hsueh T'ung-pao, No. 5, 11 March 1960.) 24 pp JPRS: 2661
3. The Development of Analytical Chemistry in the Chinese People's Republic (Translation of an article by Yen Chen-ying in the Moscow, Zavodskaya Laboratoriya (Plant Laboratory) Vol. XXV, No. 9, 1959), 6 pp JPRS: 3256
4. Communist China's Achievement in Hematology in the Past Decade, 6 pp JPRS: 3184
5. Chinese Research Related to Infectious Hepatitis in the Past Decade, 22 pp JPRS: 2467
6. Canton Party Work Report 1958-1959, 51 pp JPRS: 3397
7. Selected Reports on Agriculture, Communist Party Members, Communes and Messhalls in Kiangsi and Hopeh Provinces, (Translations from the February and March 1960 Kiangsi Jih-pao and Hopeh Jih-pao), 77 pp JPRS: 2872
8. Translation of Hopeh Jih-pao Articles on People's Communes and Provincial Messhalls, 23 pp JPRS: 2776
9. Translations on Communist China's Commune Economy, 19 pp JPRS: 2821
10. Selected Articles and News Items on Communal Development in Kiangsi, 83 pp JPRS: 2813
11. Overseas Chinese in Southeast Asia -- A Russian Study, (Full translation of a monograph by N. A. Simoniya, published by the Institute for International Relations, Moscow, 1959), 160 pp JPRS: 3442

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